

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MARKET DOMINANT PRODUCT PRICES  
EXPRES SERVICE MULTILATERAL AGREEMENT (MC2010-35)  
NEGOTIATED SERVICE AGREEMENT

Docket No.  
R2011-6

**NOTICE OF UNITED STATES POSTAL SERVICE OF TYPE 2 RATE ADJUSTMENT,  
AND NOTICE OF FILING FUNCTIONALLY EQUIVALENT AGREEMENT**  
(August 12, 2011)

In accordance with 39 C.F.R. § 3010.40 *et seq.*, and pursuant to authorization from its Governors, the United States Postal Service (Postal Service) hereby provides notice of a Type 2 rate adjustment that results in improvement over default rates established under the Universal Postal Union (UPU) Acts for inbound Letter Post items. This notice concerns the Postal Service's accession to the *Exprès* Service Agreement, a multilateral agreement that "covers the delivery of cross-border LC/AO items weighing up to 2 kilograms tendered as *Exprès* items and branded with the Common Logo. („*Exprès* Items")."<sup>1</sup> The Commission previously determined that the agreement with China Post Group that is the subject of Docket No. R2010-6<sup>2</sup> (China Post Agreement) and the agreement with Hongkong Post that is the subject of Docket No. R2011-4<sup>3</sup> (Hongkong Post Agreement) should be included in the Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators 1 product. Annex 1 of the China

<sup>1</sup> See *Exprès* Service Agreement made and entered into December 1999, Attachment 2, Articles 2 and 5.

<sup>2</sup> PRC Order No. 549, Order Adding Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 to the Market Dominant Product List and Approving Included Agreements, Docket Nos. MC2010-35, R2010-5, and R2010-6, September 30, 2010. The table concerning rates in Attachment 1 of the TNT Agreement that was the subject of Docket No. R2010-5 includes a row for "Global Confirmation Under 2Lbs." and a row for "Global Confirmation Over 2 lbs" with the notation "TBD."

<sup>3</sup> PRC Order No. 700, Order Approving Rate Adjustment for Hongkong Post – United States Postal Service Letter Post Bilateral Agreement Negotiated Service Agreement, Docket No. R2011-4, March 18, 2011.

Post Agreement, as well as Annex 1 of the Hongkong Post Agreement, include a Small Packet with Delivery Scanning service. Because, as discussed below, the delivery confirmation service included in the Exprès Service Agreement is functionally equivalent to the delivery confirmation provided with the Small Packet with Delivery Scanning service that is included in the China Post Agreement, the Postal Service requests that the Exprès Service Agreement discussed herein be included in the Inbound Market Dominant Multi-Service Agreement with Foreign Operators Postal Operators 1 product.

Attachment 1 to this notice is the Postal Service's application for non-public treatment of these materials.

Redacted copies of the following sections of the Exprès Service Agreement<sup>4</sup> are included as Attachment 2:

- the Exprès Service Agreement, made and entered into December 10, 1999, including Annexes 1 and 5;
- the First Supplementary Agreement to the Exprès Service Agreement made and entered into June 26, 2003;
- Annex 4a of the Exprès Service Agreement, the Trademark Assignment Agreement;
- Annex 4b of the Exprès Service Agreement, the Trademark Co-operation Agreement;

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<sup>4</sup> As stated in footnote 1 of the Notice to the IPC included in Attachment 3, "The full text of the Exprès Service Agreement ("Agreement") includes the Exprès Service Agreement and its six Annexes, as amended by (i) the First Supplementary Agreement to the Exprès Service Agreement of December 23, 1999, (ii) the Annex 2 that each Party most recently submitted to and that was approved by the Steering Committee, (iii) the Annex 3 that was most recently approved by the Steering Committee, and (iv) Annex 6 as amended by the Steering Committee 26 & 27 October 2009 and as planned to be amended in October 2011."

- Annex 6 as amended by the Steering Committee 26 & 27 October 2009;
- Annex 6 as planned to be amended by the Steering Committee.

Redacted copies of the following documents concerning the Postal Service's accession to the Exprès Service Agreement are included as Attachment 3:

- the Postal Service's deed of accession to the Exprès Service Agreement (which is based on the template provided in Annex 5 of the Exprès Service Agreement);
- the Notice Provided to the International Post Corporation and Parties to the Exprès Service Agreement concerning the Postal Service's Participation in the Exprès Service Agreement ("Notice to IPC"); and
- the Postal Service's Annex 3 that concerns technical specifications related to the Postal Service's participation in the Exprès Service Agreement.

In addition, redacted versions of the Postal Service's Annex 2 that sets forth the delivery times (targets) for the Postal Service under the agreement, and the supporting financial documentation, are provided in separate Excel files.

All of the documents included in Attachments 2 and 3 of this filing, the Postal Service's Annex 2 and supporting financial documentation are being filed separately under seal with the Commission.

The China Post Agreement, along with a similar agreement with Koninklijke TNT Post BV and TNT Post PakketSERVICE Benelux BV (TNT Agreement), were filed with the Commission as the first Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators 1 contracts, on August 13, 2010.<sup>5</sup> Subsequently, the

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<sup>5</sup> Request of United States Postal Service to Add Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators to the Market Dominant Product List, Notice of Type 2 Rate Adjustments,

Commission reviewed the inbound portion of a bilateral agreement with Hongkong Post, and determined that it was functionally equivalent to the China Post Agreement and TNT Agreement and added the inbound portion of the Hongkong Post Agreement to the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product.<sup>6</sup>

The Postal Service demonstrates below that the delivery confirmation service included in the Express Service Agreement is functionally equivalent to the delivery confirmation provided with the Small Packet with Delivery Scanning service that is included in the China Post Agreement.<sup>7</sup> Accordingly, the Postal Service hereby requests that the Commission include the Express Service Agreement within the Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-35, R2010-5 and R2010-6) product.

***I. Notice of Agreement and Rate Adjustment***

***A. Criteria under Part 3010, Subpart D of the Rules of Practice and Procedure***

The Postal Service provides the following answers, descriptions, and affirmations in response to the criteria for contents of a notice of agreement in support of a negotiated service agreement, as provided in 39 C.F.R. § 3010.42. This statement

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and Notice of Filing Two Functionally Equivalent Agreements (Under Seal), PRC Docket Nos. MC2010-35, R2010-5, and R2010-6 (August 13, 2010).

<sup>6</sup> Order No. 700, Order Approving Rate Adjustment for Hongkong Post – United States Postal Service Letter Post Bilateral Agreement Negotiated Service Agreement, Docket No. R2011-4, at 6-7.

<sup>7</sup> PRC Order No. 549, Order Adding Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 to the Market Dominant Product List and Approving Included Agreements, Docket Nos. MC2010-35, R2010-5, and R2010-6, September 30, 2010. The table concerning rates from Netherlands to the USA in Attachment 1 of the TNT Agreement that was the subject of Docket No. R2010-5 includes a row for “Global Confirmation Under 2Lbs.” and a row for “Global Confirmation Over 2 lbs” with the notation “TBD.”

provides support for the implementation of the Agreement and the establishment of the rates offered therein.

- (a) ... [A] notice of agreement that shall include at a minimum:*
- (1) A copy of the negotiated service agreement;*
  - (2) The planned effective date(s) of the proposed rates;*
  - (3) A representation or evidence that public notice of the planned changes has been issued or will be issued at least 45 days before the effective date(s) for the proposed new rates; and*
  - (4) The identity of a responsible Postal Service official who will be available to provide prompt responses to requests for clarification from the Commission.*

As described above, a copy of the Exprès Service Agreement and documents concerning the Postal Service's accession to the Exprès Service Agreement are being filed under seal in connection with the instant filing.

According to Article 12 of the Exprès Service Agreement, the Postal Service's accession to the Exprès Service Agreement will become effective on the first day of the second month following the approval of the Postal Service's accession by the Steering Committee that is established by Article 4 of the agreement. Thus, if the Steering Committee approves the accession of the Postal Service to the Exprès Service Agreement during August 2011, the Postal Service's accession to the agreement will become effective on October 1, 2011. Article 12 of the Exprès Service Agreement sets forth a timeline for an acceding Party's participation in the Exprès Service Agreement

Public notice of the Postal Service's accession to the Exprès Service Agreement, which includes rates for the delivery confirmation service of Exprès Items included in the provisions of the Exprès Service Agreement, is being given through the instant Notice at least 45 days before the planned effective date of the Postal Service's accession to the Exprès Service Agreement.

Ms. Giselle Valera, Managing Director, Global Business & Vice President, will be available to provide prompt responses to requests for clarification from the Commission.

*(b) A statement identifying all parties to the agreement and a description clearly explaining the operative components of the agreement.*

According to information provided by the Prime Project Manager at IPC, the following 24 parties to the Exprès Service Agreement implemented the agreement as of May 2011, and payments under the agreement have been warranted and implemented.

Country Name	Company Name
Belgium	De Post/La Poste
Brazil	Empresa Brasileira de Correios e Telégrafos
Canada	Canada Post Corporation
Croatia	HP – Croatian Post Inc.
Denmark	Post Danmark A/S
Estonia	Estonian Post
Finland	Itella Corporation
France	La Poste
Germany	Deutsche Post AG
Great Britain	Royal Mail Group plc
Hong Kong	Hong Kong Post
Hungary	Magyar Posta
Iceland	Iceland Post
Ireland	An Post
Latvia	Latvia Post
Luxembourg	Entreprise des Postes et Télécommunications
Malaysia	Malaysia Post
New Zealand	New Zealand Post Ltd
Portugal	CTT Correios de Portugal S.A.
Singapore	Singapore Post Ltd
Spain	Societat Estatal Correos y Telégrafos S.A.
Sweden	Posten AB
Switzerland	Swiss Post
The Netherlands	Royal TNT Post B.V.

The Exprès Service Agreement establishes a delivery confirmation service for inbound Letter Post, in the form of letters, flats, small packets. Article 2 of the Exprès Service Agreement made and entered into on December 10, 1999, states that the Parties to the agreement wish to develop the Exprès items service as “a product with reliable

consistent consistent delivery, track & trace features and a common logo.”<sup>8</sup> As described below, this delivery confirmation service is functionally equivalent to the delivery confirmation provided with the Small Packet with Delivery Scanning service that is included in the China Post Agreement.

*(c) Details regarding the expected improvements in the net financial position or operations of the Postal Service. The projection of change in net financial position as a result of the agreement shall include for each year of the agreement:*

- (1) The estimated mailer-specific costs, volumes, and revenues of the Postal Service absent the implementation of the negotiated service agreement;*
- (2) The estimated mailer-specific costs, volumes, and revenues of the Postal Service which result from implementation of the negotiated service agreement;*
- (3) An analysis of the effects of the negotiated service agreement on the contribution to institutional costs from mailers not party to the agreement; and*
- (4) If mailer-specific costs are not available, the source and derivation of the costs that are used shall be provided, together with a discussion of the currency and reliability of those costs and their suitability as a proxy for the mailer-specific costs.*

The Postal Service has provided information about expected financial improvements, costs, volumes, and revenues in the financial workpapers that the Postal Service has filed under seal.

*(d) An identification of each component of the agreement expected to enhance the performance of mail preparation, processing, transportation or other functions in each year of the agreement, and a discussion of the nature and expected impact of each such enhancement.*

Performance improvements that may result from the Postal Service’s accession to the Exprès Service Agreement include the following:

- The Postal Service’s accession to the Exprès Service Agreement will allow the Postal Service to participate in the delivery confirmation service

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<sup>8</sup> See Exprès Service Agreement made and entered into December 10, 1999, Attachment 1, at 1.

for letter-class flats, letters, and packets bearing a barcode established by the parties to the Exprès Service Agreement.

- The Postal Service's accession to the Exprès Service Agreement creates an incentive for the Postal Service to improve mail processing and transportation because the agreement provides for remuneration for timely delivery of Exprès items and timely return of scans concerning Exprès items.

*(e) Details regarding any and all actions (performed or to be performed) to assure that the agreement will not result in unreasonable harm to the marketplace.*

This agreement will not result in unreasonable harm to the marketplace. Each of the designated postal operators listed above that are parties to the Exprès Service Agreement maintain a generally dominant position in the market for Letter Post originating in their home country. Therefore, each of the designated postal operators that is a party to the Exprès Service Agreement is the only entity in their country that is in a position to avail itself of an agreement with the Postal Service of this type and scope. The United States' Private Express Statutes also generally prohibit entities other than the Postal Service from carrying inbound international letters commercially after entry at a U.S. port, at least below certain price and weight thresholds. The Postal Service is unaware of any private entity in each of the countries whose designated postal operator is a party to the Exprès Service Agreement that would be able to serve the United States market for inbound Letter Post from that country, on the terms and scale contemplated in the Exprès Service Agreement.



In addition, the Postal Service and the designated postal operators of the countries that are parties to the Exprès Service Agreement serve as their respective countries' designated operators for the exchange of mail, including in particular Letter Post, under rules set by the UPU. Designated operators ordinarily compensate one another for the delivery of Letter Post in accordance with terminal dues rates set by the UPU, unless a bilateral or multilateral agreement is concluded.<sup>9</sup> Because no other entities are in a position to serve as designated operators for the relevant types of mail either originating in the countries that are parties to the Exprès Service Agreement or destined for the United States, and because no other entities are subject to terminal dues rates with respect to inbound Letter Post to the United States from the countries that are parties to the Exprès Service Agreement, the market for the services offered under this agreement is in essence limited to the parties of the agreement.

Because there is no significant competition in the relevant market when the inbound Letter Post flows are considered in totality, the Postal Service submits that the agreement is unlikely to pose competitive harm to the marketplace.<sup>10</sup>

*(f) Such other information as the Postal Service believes will assist the Commission to issue a timely determination of whether the requested changes are consistent with applicable statutory policies.*

In this docket, the Postal Service is presenting only an agreement to establish a delivery confirmation service for inbound Letter Post to the United States that is tendered by certain foreign postal operators. The last paragraph of Article 2 of the Exprès Service Agreement states that "No Party is obliged to tender any of its outgoing cross-border mail as Exprès Items." If the Postal Service decides to tender any of its

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<sup>9</sup> See Universal Postal Convention Article 27 ¶ 9.

<sup>10</sup> This does not imply, however, that there is an absence of competition in this market. The market is liberalized to some degree, particularly for bulk business letters and heavier weight Letter Post.

outgoing Letter Post items as *Exprès* Items under the *Exprès* Service Agreement, the Postal Service shall present the rates to the Commission in a separate filing.

***B. Data Collection Plan***

Under 39 C.F.R. § 3010.43, the Postal Service must include with its notice of agreement “a detailed plan for providing data or information on actual experience under the agreement sufficient to allow evaluation of whether the negotiated service agreement operates in compliance with 39 U.S.C. [§] 3622(c)(10).”<sup>11</sup> The Postal Service intends to report information on this agreement through the Annual Compliance Report. The Postal Service will continue to cooperate with the Commission to provide any necessary information about mail flows from the parties of the *Exprès* Service Agreement within the course of the annual compliance review process. Therefore, the Postal Service proposes that no special data collection plan be created for this agreement. Furthermore, with respect to performance measurement, because this agreement concerns the provision of a delivery confirmation service with a product that is already being measured,<sup>12</sup> the Postal Service respectfully requests that the Postal Service be excepted from separate reporting under 39 C.F.R. § 3055.3(a)(3). The Commission granted similar exceptions from separate reporting for the China Post Agreement, the TNT Agreement, and the Hongkong Post Agreement in Docket Nos. R2010-5 and R2010-6, as well as R2011-4.<sup>13</sup>

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<sup>11</sup> 39 C.F.R. § 3010.43.

<sup>12</sup> See PRC Order No. 292, Notice of Proposed Rulemaking on Periodic Reporting of Service Performance Measurements and Customer Satisfaction, Docket No. RM2009-11, September 2, 2009, at 15.

<sup>13</sup> PRC Order No. 549 at 9; PRC Order No. 700, at 7-8; see *also* PRC Order No. 570, Order Concerning Postal Service Request for Semi-Permanent Exceptions from Periodic Reporting of Service Performance Measurement, Docket No. RM2010-11, September 3, 2010, at 23 (approving semi-permanent exceptions from service performance reporting for active market-dominant negotiated service agreements, including the agreement for inbound market-dominant services with Canada Post Corporation).

### **C. Statutory Criteria**

Under 39 U.S.C. § 3622(c)(10), the criteria for the Commission's review are whether the agreement (1) improves the net financial position of the Postal Service or enhances the performance of operational functions, (2) will not cause unreasonable harm to the marketplace, and (3) will be available on public and reasonable terms to similarly situated mailers. The first two criteria have been addressed in Part IA above. With respect to the third criterion, there are no entities that are similarly situated to the designated postal operators of the countries that are parties to the *Exprès Service Agreement* in their ability to tender the Letter Post flows specified in the *Exprès Service Agreement* from the countries that are parties to the *Exprès Service Agreement* under similar operational conditions. There are also no other entities that serve as a designated operator for Letter Post originating from the countries that are parties to the *Exprès Service Agreement*. Therefore, the Postal Service finds it difficult to conceive of a "similarly situated mailer" to which the Postal Service could make a similar agreement available for each country-specific flow. Accordingly, the Postal Service views this criterion as inapplicable in this instance.<sup>14</sup> Because all of the criteria set forth in 39 U.S.C. § 3622(c)(10) have been met, the Postal Service respectfully urges the Commission to act promptly by allowing the Agreement's rates to be implemented under 39 C.F.R. § 3010.40, as requested.

### **II. Functional Equivalency**

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<sup>14</sup> See PRC Order No. 163, Order Concerning Bilateral Agreement with Canada Post for Inbound Market Dominant Services, Docket Nos. MC2009-7 and R2009-1, December 31, 2008, at 9-10 ("Given its narrow characterization of the underlying Agreement, the Postal Service's position [as to 'similarly situated mailers'] is correct. For purposes of this proceeding, the Commission concludes that it would be largely an academic exercise to consider whether a broader characterization should be employed.").

The agreement to provide delivery confirmation service for inbound Exprès Service items that will be established as a result of the Postal Service's accession to the Exprès Service Agreement is functionally equivalent to the delivery confirmation service provided with the Small Packet with Delivery Scanning agreed to in the China Post Agreement. For the sake of convenience, the Postal Service will compare the delivery confirmation service established in the Exprès Service Agreement with the delivery confirmation service provided in the China Post Agreement.<sup>15</sup> The Commission previously included the China Post Agreement within the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-35, R2010-5 and R2010-6) product. The terms of the Exprès Service Agreement fit within the MCS language for Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators 1.<sup>16</sup> Therefore, the delivery confirmation service included in the Exprès Service Agreement and the delivery confirmation service included in the China Post Agreement and the Hongkong Post Agreement conform to a common description.

The Exprès Service Agreement and the China Post Agreement contain many similar terms and conditions concerning the delivery confirmation service for certain Letter Post items. Each agreement is with one or more foreign postal operators.

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<sup>15</sup> The China Post Agreement and TNT Agreement in Docket Nos. R2010-5 and R2010-6 were added simultaneously to the market dominant product list as functionally equivalent, without indicating which would serve as the "baseline" for functional equivalence comparisons with future agreements. Because the TNT Agreement does not include rates for the service described as "Global Confirmation Over 2 lbs." in Annex 1, and the China Post Agreement includes rates for "Small Packet with Delivery Scanning" in Annex 1, the Postal Service believes that the comparison to the China Post Agreement offered here is more illuminating and appropriate than one that includes the China Post Agreement and the TNT Agreement, or one that compares the delivery confirmation service established in the Exprès Service Agreement to the delivery confirmation service established in the Hongkong Post agreement and/or the delivery confirmation service mentioned in Annex 1 in the TNT agreement. A different comparison might be appropriate in future instances.

<sup>16</sup> 1602.4 Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators, Suppl MCS MarkUp 7 28 2011, Additional Supplemental Comments of United States Postal Service on Mail Classification Schedule, Docket No. RM2011-8, July 29, 2011, at 208.

The benefits of the two contracts to the Postal Service are comparable as well. The two agreements provide for, or provide for the possibility of, delivery confirmation service for foreign postal administrations for certain letter-class items bearing a barcode to be transmitted when the barcode on the item is scanned in the United States.<sup>17</sup> The two agreements incorporate similar attributes and methodology concerning the delivery confirmation services included in them. For example, the two agreements include details concerning barcoding. Annex 2 of the China Post Agreement advises as to the barcoding to be used by customers in China. Annex 3 of the Exprès Service Agreement includes provisions concerning barcoding. Therefore, the Postal Service submits that the agreement to provide the delivery confirmation service included in the Exprès Service Agreement is functionally equivalent to the agreement to provide delivery confirmation service in the China Post Agreement. Consequently, the Exprès Service Agreement should be added to the market dominant product list within the same product listing.<sup>18</sup>

There are, however, differences between the Exprès Service Agreement and the China Post Agreement. Differences between the two agreements include the following:

- The Exprès Service Agreement is a multilateral agreement concerning the development of the Exprès item service. In contrast, the China Post

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<sup>17</sup> Article 2 of the Exprès Service Agreement states that “This Agreement covers the delivery of cross-border LC/AO items weighing up to 2 kg. tendered as Exprès items and branded with the Common Logo (‘Exprès Items’).” The China Post agreement and the Hongkong Post agreement both include rates in Annex 1 and an Annex 2 concerning “Small Packets with Delivery Scanning.”

<sup>18</sup> As noted in the Postal Service’s earlier classification request, “[i]f these agreements are added under a single product heading within the First-Class Mail class, then, presumably, other subsequent agreements similar to these instruments for country-specific inbound flows of Letter Post would be presented to the Commission under cover of a notice of filing, without the need for a separate classification request accompanying each such agreement.” Request of the United States Postal Service to Add Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators to the Market Dominant Product List, Notice of Type 2 Rate Adjustments, and Notice of Filing Two Functionally Equivalent Agreements (Under Seal), Docket Nos. MC2010-35, R2010-5, and R2010-6, August 13, 2010, at 14.

Agreement is a bilateral agreement concerning various Letter Post settlement rates.

- The Exprès Service Agreement concerns a delivery confirmation service for letter-class flats, letters, and packets, whereas the China Post Agreement concerns a delivery confirmation service for small packets only.
- The Exprès Service Agreement concerns only a delivery confirmation service. In contrast, the China Post Agreement concerns a number of different delivery services that are listed in Annex 1, among which is a delivery confirmation service that is included with the Small Packet with Delivery Confirmation service.
- The Exprès Service Agreement includes provisions concerning a common logo in Article 5. The delivery confirmation included with the Small Packet with Delivery Confirmation service in the China Post Agreement does not have any specific logo requirements.
- The Exprès Service Agreement requires that both the origin country and destination country of an Exprès Item be parties to the Exprès Service Agreement. The China Post Agreement requires that Small Packets with Delivery Scanning packages be shipped between the United States and China.
- The Exprès Service Agreement states, in Article 19, that the Agreement shall be governed by and construed in accordance with the laws of the Netherlands. In contrast, the governing law of the China Post Agreement

is the federal law of the United States, according to Article 10 of the agreement.

- Disputes arising under the Exprès Service Agreement are to be decided by an arbitration committee, as set forth in Article 17. Unresolved controversies arising under Article 9 of the China Post agreement are to be referred to mediation; if mediation does not resolve the controversy, an action relating to cost or revenue liability may be instituted and maintained only in the United States District Court for the District of Columbia.
- According to Article 11 of the Exprès Service Agreement, the agreement “is entered into for an indefinite period of time,” and any Party may withdraw from the agreement at any time. In contrast, Article 22 of the China Post Agreement states that the agreement shall remain in effect for one year after the Effective Date unless terminated pursuant to Article 8.
- The settlement charges for the delivery confirmation service established by the Exprès Service Agreement differ from the settlement rates for the Small Packet with Delivery Scanning product included in the China Post Agreement. The Enhanced Payment for the delivery confirmation service provided by the Exprès Service Agreement is set forth in Annex 6 of the Exprès Service Agreement, as most recently amended by the Steering Committee. In contrast, the settlement charges for the delivery confirmation that is included in the Small Packet with Delivery Scanning service are set forth in Annex 1 of the China Post Agreement.

The Postal Service does not consider that the specified differences affect the fundamental service the Postal Service is offering. Nothing detracts from the conclusion that the delivery confirmation service offered as a result of the Postal Service's accession to the Exprès Service Agreement is functionally equivalent to the delivery confirmation which is included in the Small Packets with Delivery Scanning Service offered under the China Post Agreement.

### ***III. Application for Non-Public Treatment***

The Postal Service maintains that certain portions of the Exprès Service Agreement, the Postal Service's signed deed of accession, the Notice to the IPC, and the Postal Service's completed version of the forms provided in Annex 2 and Annex 3 of the Exprès Service Agreement, as well as related financial information should remain confidential. In accordance with 39 C.F.R. § 3007.21, the Postal Service files as Attachment 1 to this Request its application for non-public treatment of materials filed under seal. A full discussion of the required elements of the application appears in Attachment 1.

### ***IV. Conclusion***

For the reasons discussed, the Postal Service believes that the Exprès Service Agreement discussed herein should be included in the Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-35, R2010-5 and R2010-6) product.



Respectfully submitted,

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## **ATTACHMENT 1**

### **APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS**

In accordance with 39 C.F.R. § 3007.21 and Order No. 225,<sup>1</sup> the United States Postal Service (Postal Service) hereby applies for non-public treatment of certain materials filed with the Commission in this docket. The materials pertain to the Postal Service's accession to the Exprès Service Agreement, which the Postal Service is requesting be added to the Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators 1 product. The Exprès Service Agreement, documents related to the Postal Service's accession to the Exprès Service Agreement, and supporting documents establishing compliance are being filed separately under seal with the Commission. A redacted copy of the Exprès Service Agreement is filed with the Notice as Attachment 2. Redacted version of documents related to the Postal Service's accession to the Exprès Service Agreement are filed with the Notice as Attachment 3. In addition, a redacted version of an Excel file which includes the Postal Service's Annex 2 that sets forth the delivery times (targets) for the Postal Service under the agreement, as well as a redacted version of the supporting financial documentation are included with this public filing as separate Excel files.

The Postal Service hereby furnishes the justification required for this application by 39 C.F.R. § 3007.21(c) below.

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<sup>1</sup> PRC Order No. 225, Final Rule Establishing Appropriate Confidentiality Procedures, Docket No. RM2008-1, June 19, 2009.

**(1) The rationale for claiming that the materials are non-public, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);**

The materials designated as non-public consist of information of a commercial nature that would not be publicly disclosed under good business practice. In the Postal Service's view, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3) and (4).<sup>2</sup> Because the portions of the materials that the Postal Service is applying to file only under seal fall within the scope of information not required to be publicly disclosed, the Postal Service asks the Commission to support the Postal Service's determination that these materials are exempt from public disclosure and requests the Commission to grant the Postal Service's application for their non-public treatment.

**(2) Identification, including name, phone number, and e-mail address for any third party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;**

In the case of the instant Agreement, the Postal Service believes that the only third parties with a proprietary interest in the materials are the International Post Corporation (IPC) and the other parties to the Exprès Service Agreement. Through Paragraph 6d of the Notice to the IPC and Parties to the Exprès Service Agreement concerning the United States Postal Service's Participation in the

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<sup>2</sup> In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

Exprès Service Agreement (“Notice to the IPC”), the Postal Service has already informed the IPC and the other parties to the Exprès Service Agreement, in compliance with 39 C.F.R. § 3007.20(b), of the nature and scope of this filing and the IPC’s and the parties to the Exprès Service Agreement’s ability to address their confidentiality concerns directly with the Commission. Due to language and cultural differences as well as the sensitive nature of the Postal Service’s rate relationship with the affected foreign postal operator, the Postal Service proposes that a designated Postal Service employee serve as the point of contact for any notices to the relevant postal operators. The Postal Service identifies as an appropriate contact person Mr. Musawwir A. Khan, Manager, Regional Business Development, Global Business, United States Postal Service, 475 L’Enfant Plaza SW, Room 2P800, Washington DC 20260. Mr. Khan’s telephone number is 202-268-2890 and his e-mail address is Musawwir.A.Khan@usps.gov.<sup>3</sup>

**(3) A description of the materials claimed to be non-public in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are non-public;**

In connection with its Notice filed in this docket, the Postal Service included a copy of the Exprès Service Agreement, documents related to the Postal Service’s accession to the Exprès Service Agreement, and financial work papers associated with the Postal Service’s accession to the Exprès Service

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<sup>3</sup> The Postal Service acknowledges that 39 C.F.R. § 3007.21(c)(2) appears to contemplate only situations where a third party’s identification is “sensitive” as permitting the designation of a Postal Service employee who shall act as an intermediary for notice purposes. To the extent that the Postal Service’s filing might be construed as beyond the scope of the Commission’s rules, the Postal Service respectfully requests a waiver to designate a Postal Service employee as the contact person under these circumstances, for the reasons provided in the text above.

Agreement. These materials were filed under seal, with redacted copies filed publicly, after notice to the IPC and the parties to the Exprès Service Agreement. The Postal Service maintains that the redacted portions of the Exprès Service Agreement, the documents related to the Postal Service's accession to the Exprès Service Agreement, and related financial information should remain confidential.

With regard to the copy of the Exprès Service Agreement filed in this docket, the redactions withhold the rate information included in the Exprès Service Agreement and information concerning the quality of service performance under the Exprès Service Agreement, as well as certain negotiated terms.

Concerning the documents related to the Postal Service's accession to the Exprès Service Agreement filed in this docket, the redaction to the Deed of Accession withholds information concerning the authority of the representative of the Postal Service who signed the deed of accession's authority to represent the Postal Service. The redactions to the Notice to the IPC withhold information concerning rate information and information concerning the quality of service performance under the Exprès Service Agreement and information concerning the quality of service performance under the Exprès Service Agreement, as well as certain negotiated terms. The redactions to the Postal Service's Annex 3 withhold information concerning project specifications, assigned persons, barcode formats, Office of Exchange specifications, monthly volume estimated, delivery standards, and other information related to quality of service

performance that constitute commercially sensitive information. The redactions to the Postal Service's Annex 2 withhold information concerning the delivery times (targets) that shall apply to the Postal Service under the Exprès Service Agreement.

With regard to the financial workpapers associated with the Postal Service's accession to the Exprès Service Agreement filed in this docket, the redactions applied to the financial workpapers protect commercially sensitive information such as underlying costs and assumptions, negotiated pricing, and cost coverage projections.

To the extent practicable, the Postal Service has limited the redactions described above to the actual information it has determined to be exempt from disclosure under 5 U.S.C. § 552(b)

**(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;**

If the portions of the Exprès Service Agreement and the documents related to the Postal Service's accession to the Exprès Service Agreement that the Postal Service determined to be protected from disclosure due to their commercially sensitive nature were to be disclosed publicly, the Postal Service considers that it is quite likely that it would suffer commercial harm. Information about negotiated pricing and quality of service performance information is commercially sensitive, and the Postal Service does not believe that it would be disclosed under good business practices. Foreign postal operators that are not parties to the Exprès Service Agreement could use the information to their advantage in negotiating the terms of their own agreements with the Postal

Service. Competitors could also use the information to assess the terms that apply to the Postal Service under the Express Service Agreement, for any possible comparative vulnerabilities and focus sales and marketing efforts on those areas, to the detriment of the Postal Service. This latter concern applies to the extent that the prices in the filed Agreement cover market dominant services for which competition exists; and monopoly letters, to the extent that competing providers are not fully cognizant of or compliant with the Private Express Statutes. The Postal Service considers these to be highly probable outcomes that would result from public disclosure of the redacted material.

The financial workpapers include specific information such as costs, assumptions used in pricing decisions, the negotiated prices themselves, projections of performance metrics, variables, and contingency rates included to account for market fluctuations and exchange risks. All of this information is highly confidential in the business world. If this information were made public, the Postal Service's competitors would have the advantage of being able to determine statutory, regulatory, and policy constraints within which the Postal Service is operating. Competitors would be able to take advantage of the information to offer lower pricing to postal customers, while subsidizing any losses with profits from other customers. Eventually, this could negatively affect the Postal Service in certain inbound delivery services markets. Given that these spreadsheets are filed in their native format, the Postal Service's assessment is that the likelihood that the information would be used in this way is great.

Potential customers could also deduce from the rates provided in the Agreement or from the information in the workpapers whether additional margin for net contribution exists under the agreement's prices. The settlement charges between the Postal Service and the other Parties to the Agreement constitute costs underlying the postal services offered to each postal operator's customers, and disclosure of this cost basis would upset the balance of Postal Service negotiations with contract customers by allowing them to negotiate, rightly or wrongly, on the basis of the Postal Service's perceived supplier costs. From this information, each foreign postal operator or customer could also attempt to negotiate ever-decreasing prices, such that the Postal Service's ability to negotiate competitive yet financially sound rates would be compromised. Foreign postal operators who are parties to the Exprès Service Agreement could use the information in the workpapers in their negotiations with the Postal Service.

Price information in the Exprès Service Agreement and financial spreadsheets also consists of sensitive commercial information of the foreign postal operators that are parties to the Exprès Service Agreement. Disclosure of such information could be used by competitors of these foreign postal operators to assess each of these foreign postal operator's underlying costs, and thereby develop a benchmark for the development of a competitive alternative. The foreign postal operators that are parties to the Exprès Service Agreement would also be exposed to the same risks as the Postal Service in customer negotiations based on the revelation of their supplier costs.



**(5) At least one specific hypothetical, illustrative example of each alleged harm;**

Harm: Public disclosure of the prices in the Agreement, as well as any negotiated terms, would provide foreign postal operators or other potential customers extraordinary negotiating power to extract lower rates from the Postal Service.

Hypothetical: The negotiated prices are disclosed publicly on the Postal Regulatory Commission's website. Another postal operator sees the price and determines that there may be some additional profit margin below the rates provided under the Express Service Agreement. The other postal operator then uses the publicly available rate information to insist that it must receive lower rates for a similar service.

Harm: Public disclosure of information in the financial workpapers would be used by competitors and customers to the detriment of the Postal Service.

Hypothetical: A competing delivery service obtains unredacted versions of the financial workpapers from the Postal Regulatory Commission's website. It analyzes the workpapers to determine what the Postal Service would have to charge its customers in order to comply with business or legal considerations regarding cost coverage and contribution to institutional costs. It then sets its own rates below that threshold for products similar to what the Postal Service offers its customers and markets its purported ability to beat the Postal Service on price for international delivery services. By sustaining this below-market strategy for a relatively short period of time, the competitor, or several of the Postal Service's competitors acting in a likewise fashion, could significantly cut

into the revenue streams upon which the Postal Service relies to finance provision of universal service.

Harm: Public disclosure of information in the financial workpapers would be used detrimentally by the foreign postal operator's competitors.

Hypothetical: A competing international delivery service obtains a copy of the unredacted version of the financial workpapers from the Postal Regulatory Commission's website. The competitor analyzes the workpapers to assess the foreign postal operator's underlying costs for the corresponding products. The competitor uses that information as a baseline to negotiate with U.S. companies to develop lower-cost alternatives.

**(6) The extent of protection from public disclosure deemed to be necessary;**

The Postal Service maintains that the redacted portions of the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the relevant market for international delivery products (including both private sector integrators and foreign postal operators), as well as their consultants and attorneys. Additionally, the Postal Service believes that actual or potential customers of the Postal Service for this or similar products (including other postal operators) should not be provided access to the non-public materials. This includes the other current parties to the Exprès Service Agreement with respect to all materials filed under seal except for the text of the Exprès Service Agreement, to which other parties to the Exprès Service Agreement already have access.

**(7) The length of time deemed necessary for the non-public materials to be protected from public disclosure with justification thereof; and**

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

**(8) Any other factors or reasons relevant to support the application.**

None.

***Conclusion***

For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of the identified materials.

## **Exprès Service Agreement**

made and entered into this 10th December 1999 by and  
between the parties listed hereinafter  
(collectively the "Parties")

### List of the Parties

Österreichische Post AG	Austria
La Poste / De Post	Belgium
Post Danmark	Denmark
Finland Post Ltd	Finland
La Poste	France
Deutsche Post AG	Germany
Iceland Post	Iceland
An Post	Ireland
Norway Post (Posten Norge BA)	Norway
CTT Correios de Portugal SA	Portugal
Posts and Telegraphs	Slovakia
Correos y Telégrafos	Spain
Sweden Post Ltd (Posten AB (publ))	Sweden
Swiss Post	Switzerland
United States Postal Service	USA

Witnesseth:

- WHEREAS the Parties are postal operators engaged, inter alia, in the cross-border transportation and delivery of mail, and
- WHEREAS each of the Parties performs the Exprès items service pursuant to Article 19 of the UPU Convention, and
- WHEREAS the Parties wish to develop this Exprès items service into an upmarket letter service, a product with reliable consistent delivery, track & trace features and a common logo, and
- WHEREAS the Parties wish to remunerate each other for the timely delivery of items and the timely return of scans with an enhanced payment that will be due in addition to regular terminal dues, and
- WHEREAS the Parties wish to develop and test this service until 30 June 2000, and

- WHEREAS the Parties will only charge each other enhanced payments after that date, and
- WHEREAS the Parties each wish to maintain their freedom to determine pricing and conditions in respect of their customers.

Now, therefore, the Parties hereby agree as follows:

### **Article 1: Definitions**

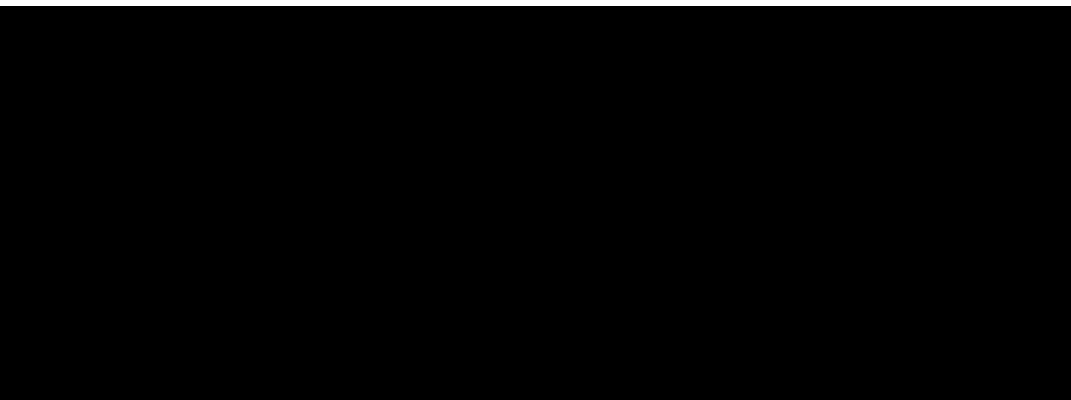
All terms beginning with a capital letter in this Agreement (including the Annexes) are either defined in Annex 1 to this Agreement or defined in the body of this Agreement and referred to in Annex 1.

### **Article 2: Delivery of Exprès Items**

This Agreement covers the delivery of cross-border border LC/AO items weighing up to 2 kg, tendered as Exprès items and branded with the Common Logo („Exprès Items“).

A Party that receives Exprès Items (the “Receiving Party”) from another Party (the “Sending Party”) for delivery in its country shall deliver such mail in accordance with the terms of this Agreement.

Exprès Items shall be delivered within the delivery times (targets) set out in Annex 2 (Delivery Times).



Delivery information shall be available for the Sending Party's customer service within certain response times, [REDACTED]

[REDACTED]

Such response times, labelling, scanning and other service and product features are set out in Annex 3 (Technical Specifications).

The Steering Committee is empowered to grant temporary derogations from the obligation to make delivery information available by [REDACTED]

Exprès Items do not include registered or insured letters.

No Party is obliged to tender any of its outgoing cross-border mail as Exprès Items. However, Parties who choose not to use the Exprès Items service for outgoing cross-border mail shall not participate in the Trademark Agreement and shall have no right to use the Common Logo. Any Party's right to avail itself of Article 19 of the UPU Convention remains unaffected.

### **Article 3: Remuneration for the Delivery of Exprès Items**

A Receiving Party that receives Exprès Items from a Sending Party for delivery in its country, shall receive from that Sending Party [REDACTED]

The Enhanced Payment shall be [REDACTED]

IPC will monitor performance and will produce a monthly performance report for each country. Enhanced Payments shall be determined on the basis of this report, unless a Party concerned disproves the information contained in the report.

#### **Article 4: Steering Committee**

The Parties shall meet from time to time in a Steering Committee. Each Party shall be represented in the Steering Committee by one representative. Each Party shall have one vote. A Party without a representative at a Steering Committee meeting can give a written power of attorney to another Party's representative to represent it at that meeting and to exercise its vote. Decisions of the Steering Committee require the majority of the votes of all Parties.

#### **Article 5: Common Logo**

The Exprès Items service shall be marketed under the following common logo (the „Common Logo“):



For the purposes of marketing the Exprès Items service in its country, each Party is free to replace the word „POST“ in the Common Logo with a subsidiary product name of its choice. In particular, the word „POST“ can be adapted to each Party's language (e.g., „La Poste“).

All Parties except those who choose not to use the Exprès Items service for outgoing cross-border mail shall execute the Trademark Agreement attached as Annex 4.

#### **Article 6: Liability**

No Receiving Party shall be liable to a Sending Party for any delay in the delivery of Exprès Items or for loss of or damage to Exprès Items.

#### **Article 7: Undeliverable Items**

Undeliverable Exprès Items shall be returned [REDACTED] The Receiving Party [REDACTED]

#### **Article 8: Bilateral and Multilateral Agreements**

Parties can agree to deviate from the provisions of this Agreement by entering into bilateral and/or multilateral agreements that involve fewer than all of the Parties and supplement this Agreement. In particular, such bilateral and/or multilateral agreements may provide for different remuneration and service features applicable between the Parties involved.

#### **Article 9: Contracts with Customers**

Each Party is free to determine the prices it charges to and the contractual terms governing its relationship with its customers.

#### **Article 10: Settlement of Accounts**

The Parties' claims for remuneration will be settled quarterly on a bilateral basis or at any other interval agreed by the Parties concerned. Such claims can be set off against each other so that only the imbalance between such claims is paid.

#### **Article 11: Term and Termination**

This Agreement shall enter into force on 1 January 2000 between those Parties who have executed it by then irrespective of how many Parties have executed it. If any other Party executes this Agreement after 1 January 2000, this Agreement shall enter into force on the day on which this Party deposits the executed Agreement with the chairman of the Steering Committee between this Party and those Parties who have already executed this Agreement.

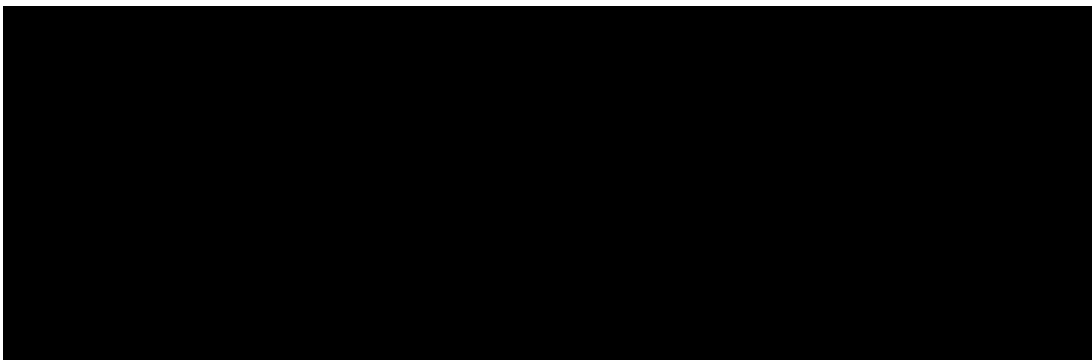
This Agreement is entered into for an indefinite period of time. Any Party may withdraw from this Agreement at any time after its entry into force by depositing a notice of withdrawal with the chairman of the Steering Committee, who will then inform the other Parties. Such withdrawal shall only take effect at the end of the third full calendar month following the notice of withdrawal.

#### **Article 12: Accessions**

Without the necessity of a written instrument duly executed on behalf of each of the Parties any postal operator that is a postal administration within the meaning of the UPU Convention can accede to this Agreement by executing a Deed of Accession in the form of Annex 5 and delivering it to the chairman of



the Steering Committee. The accession is subject to approval by the Steering Committee. The accession will become effective on the first day of the second month following the approval of the accession by the Steering Committee.



### **Article 13: Severability**

If any of the provisions of this Agreement or its Annexes for any reason whatsoever is or becomes invalid or unenforceable or unperformable, the legal validity of the remaining provisions of the Agreement and its Annexes shall in no way be affected. The invalid, unenforceable or unperformable provision shall be replaced by a provision which comes as close as possible to achieving the effect of the invalid, unenforceable or unperformable provision.

### **Article 14: Annexes - Entire Agreement**

The Annexes referred to in this Agreement are an integral part of this Agreement. This Agreement, together with the Annexes hereto, constitutes the entire agreement and understanding between the Parties.

### **Article 15: Headings**

Headings in this Agreement are inserted for convenience only and are not to be considered part of this Agreement.

### **Article 16: Assignment - Successors**

This Agreement may not be assigned by any Party without the prior written consent of the majority of other Parties. All the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors.

### **Article 17: Arbitration**

Any disputes arising out of or in connection with this Agreement shall be finally and bindingly decided by an arbitration committee ("the Arbitration

Committee"). The members of the Arbitration Committee shall be independent of Parties to the dispute. Each Party or group of Parties shall appoint an arbitrator within a period of one month of notifying the chairman of the Steering Committee of the dispute or of being informed of such a notification by the chairman of the Steering Committee. If any of the Parties to the arbitration fails to do so, the chairman of the Steering Committee shall appoint an arbitrator within a further month. If the chairman of the Steering Committee represents a Party to the dispute, this decision shall be made by the Steering Committee.

If there is an even number of arbitrators, the arbitrators thus appointed shall have one month from the day on which the last of them was appointed to appoint another arbitrator to chair the Arbitration Committee. If they fail to do so, the chairman of the Steering Committee shall appoint this arbitrator within a further month. If the chairman of the Steering Committee represents a Party to the dispute, this decision shall be made by the Steering Committee.

The Arbitration Committee shall use its best efforts to render its decision within two months of its constitution. Its decision will be binding on the Parties involved in the dispute. The arbitration proceedings shall be conducted in the English language.

The Arbitration Committee shall decide which Party or Parties shall bear its costs.

#### **Article 18: Amendment**

This Agreement may be amended by the Parties at any time, but only by a written instrument duly executed on behalf of each of the Parties.

The Steering Committee is empowered to amend the Annexes to this Agreement. Amended Annexes shall be attached to the minutes of the Steering Committee meeting.

#### **Article 19: Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Netherlands.

In witness whereof, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

\_\_\_\_\_  
Österreichische Post  
AG

\_\_\_\_\_  
La Poste / De Post  
(Belgium)

\_\_\_\_\_  
Post Danmark

\_\_\_\_\_  
Finland Post Ltd

\_\_\_\_\_  
La Poste (France)

\_\_\_\_\_  
Deutsche Post AG

\_\_\_\_\_  
Iceland Post

\_\_\_\_\_  
An Post (Ireland)

\_\_\_\_\_  
Norway Post (Posten  
Norge BA)

\_\_\_\_\_  
CTT Correios de Portu-  
gal SA

\_\_\_\_\_  
Posts and Telegraphs  
(Slovakia)

\_\_\_\_\_  
Correos y Telégrafos  
(Spain)

\_\_\_\_\_  
Posten AB (publ)

\_\_\_\_\_  
Swiss Post

\_\_\_\_\_  
United States Postal  
Service

### **List of Annexes**

- Annex 1: Definitions
- Annex 2: Delivery Times
- Annex 3: Technical Specifications
- Annex 4: Trademark Agreement
- Annex 5: Deed of Accession


## **Annex 1: Definitions**

### **Agreement**

Exprès Service Agreement.

### **Arbitration Committee**

Has the meaning attributed to it in Article 17.



### **Common Logo**

Has the meaning attributed to it in Article 5.

### **Deed of Accession**

Deed to be executed by a postal administration within the meaning of the UPU Convention wishing to accede to the Agreement.



### **Enhanced Payment**

Has the meaning attributed to it in Article 3.

### **Exprès Items**

Has the meaning attributed to it in Article 2.



### **IPC**

International Post Corporation.

### **Parties**

The parties having entered into the Agreement.

### **Receiving Party**

Has the meaning attributed to it in Article 2.

### **Sending Party**

Has the meaning attributed to it in Article 2.

### **SDR**

Special Drawing Rights of the International Monetary Fund.

**Steering Committee**

Has the meaning attributed to it in Article 4.

**Terminal Dues**

Remuneration payable by a postal operator to another for the delivery of incoming cross-border mail.

**Trademark Agreement**

Has the meaning attributed to it in Article 5.

**UPU Convention**

The Universal Postal Convention. References made in the Agreement are to the Articles of the 1994 UPU Convention. As later UPU Conventions enter into force, these references are to be read to the corresponding Articles in those conventions even though the numbering may be different.

## **Annex 5: Deed of Accession**

.....  
*THE „ACCEDING PARTY“,*

a postal administration within the meaning of the UPU Convention,

requests admission to the Exprès Service Agreement, effective from the first day of the second month following the approval of the accession by the Exprès Service Steering Committee.

The Acceding Party undertakes to respect all the provisions of the Exprès Service Agreement.

The Acceding Party attaches to this Deed of Accession proof of the undersigned's authority to represent the Acceding Party.

Signed at ..... On .....

.....  
Signature

**First Supplementary Agreement  
to the  
Exprès Service Agreement**

made and entered into this 26 June 2003 by and  
between the parties listed hereinafter  
(collectively the "Parties")

List of the Parties

Österreichische Post AG	Austria
Post Danmark	Denmark
Finland Post Corporation	Finland
La Poste	France
Deutsche Post AG	Germany
Iceland Post	Iceland
An Post	Ireland
Poste Italiane S.p.A.	Italy
TPG N.V.	The Netherlands
Posten Norge AS	Norway
CTT Correios de Portugal SA	Portugal
Slovenská Pošta, š.p.	Slovakia
Correos y Telégrafos	Spain
Posten Sverige AB	Sweden
Swiss Post	Switzerland
Royal Mail Group plc	United Kingdom

Witnesseth:

- WHEREAS the Parties have entered into the Exprès Service Agreement of 23 December 1999 (the "Exprès Service Agreement"), and
- WHEREAS the Parties wish to clarify how scans can be effected, and
- WHEREAS the Parties wish to empower the Steering Committee to amend the provisions relating to the Enhanced Payment, and

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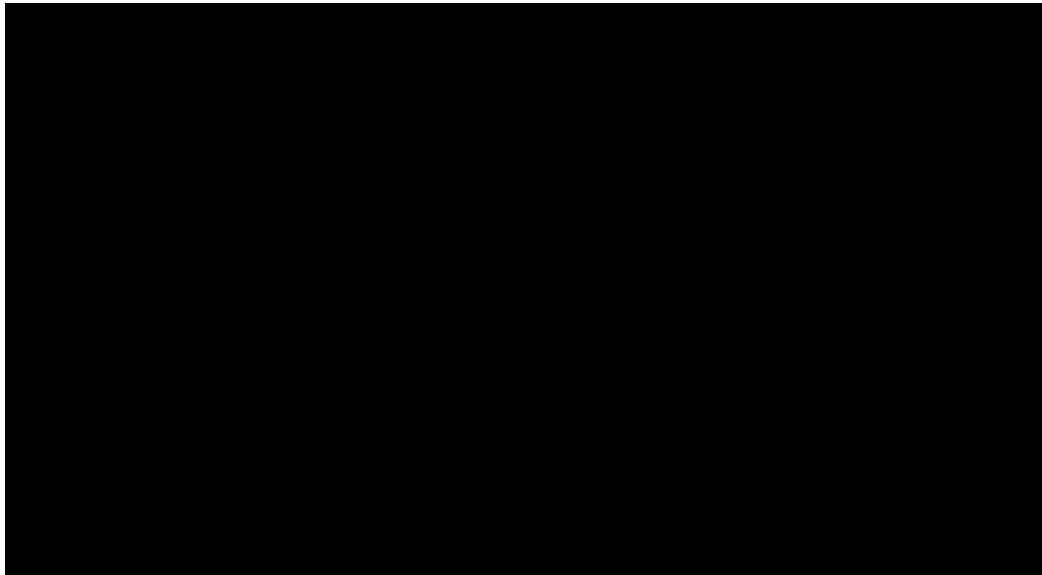
Now, therefore, the Parties hereby agree as follows:

**Article 1: Definitions**

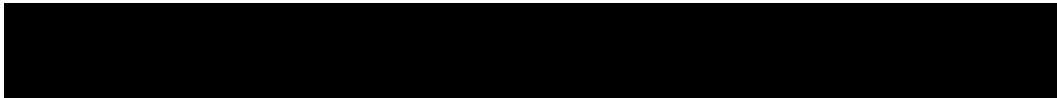
All terms beginning with a capital letter in this Agreement (including its Annex A) are either defined in this Agreement or in the Exprès Service Agreement.

**Article 2: Amendment of Article 2 of the Exprès Service Agreement**

- 2.1 Paragraph 4 of Article 2 of the Exprès Service Agreement shall be deleted and replaced by the following paragraph:



- 2.2 Paragraph 5 of Article 2 of the Exprès Service Agreement shall be amended by adding the following sentence:



**Article 3: Amendment of Article 3 of the Exprès Service Agreement**

- 3.1 Paragraphs 3 to 7 of Article 3 of the Exprès Service Agreement shall be deleted and replaced by the following paragraph:

“The Enhanced Payment shall be calculated pursuant to the provisions set out in Annex 6 (Enhanced Payment).”

3.2 Annex A to this Agreement shall become Annex 6 to the Exprès Service Agreement.

#### **Article 4: Term and Termination**

This Agreement shall enter into force on the date first above written with effect as of 1 January 2003 between those Parties that have executed it. If any other Party executes this Agreement after that date, this Agreement shall enter into force also with effect as of 1 January 2003 on the day on which this Party deposits the executed Agreement with IPC between this Party and those Parties that have already executed this Agreement.

This Agreement is entered into for an indefinite period of time. If any Party withdraws from the Exprès Service Agreement, it shall cease to be a party to this Agreement on the day on which its withdrawal from the Exprès Service Agreement takes effect.

#### **Article 5: Annexes - Entire Agreement**

The Annex referred to in this Agreement is an integral part of this Agreement. This Agreement, together with the Annex hereto, constitutes the entire agreement and understanding between the Parties.

#### **Article 6: Headings**

Headings in this Agreement are inserted for convenience only and are not to be considered part of this Agreement.

#### **Article 7: Assignment - Successors**

This Agreement may not be assigned by any Party without the prior written consent of the majority of other Parties and not independently from the Exprès Service Agreement. All the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors.

#### **Article 8: Arbitration**

Any disputes arising out of or in connection with this Agreement shall be finally and bindingly decided pursuant to Article 17 of the Exprès Service Agreement.

#### **Article 9: Amendment**

This Agreement may be amended by the Parties at any time, but only by a written instrument duly executed on behalf of each of the Parties.

**Article 10: Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Netherlands.

In witness whereof, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

\_\_\_\_\_  
Österreichische Post  
AG

\_\_\_\_\_  
Post Danmark

\_\_\_\_\_  
Finland Post Corpora-  
tion

\_\_\_\_\_  
La Poste (France)

\_\_\_\_\_  
Deutsche Post AG

\_\_\_\_\_  
Iceland Post

\_\_\_\_\_  
An Post (Ireland)

\_\_\_\_\_  
Poste Italiane S.p.A.

\_\_\_\_\_  
TPG N.V.

\_\_\_\_\_  
Posten Norge AS

\_\_\_\_\_  
CTT Correios de Portu-  
gal SA

\_\_\_\_\_  
Slovenská Pošta, š.p.

\_\_\_\_\_  
Correos y Telégrafos  
(Spain)

\_\_\_\_\_  
Posten Sverige AB

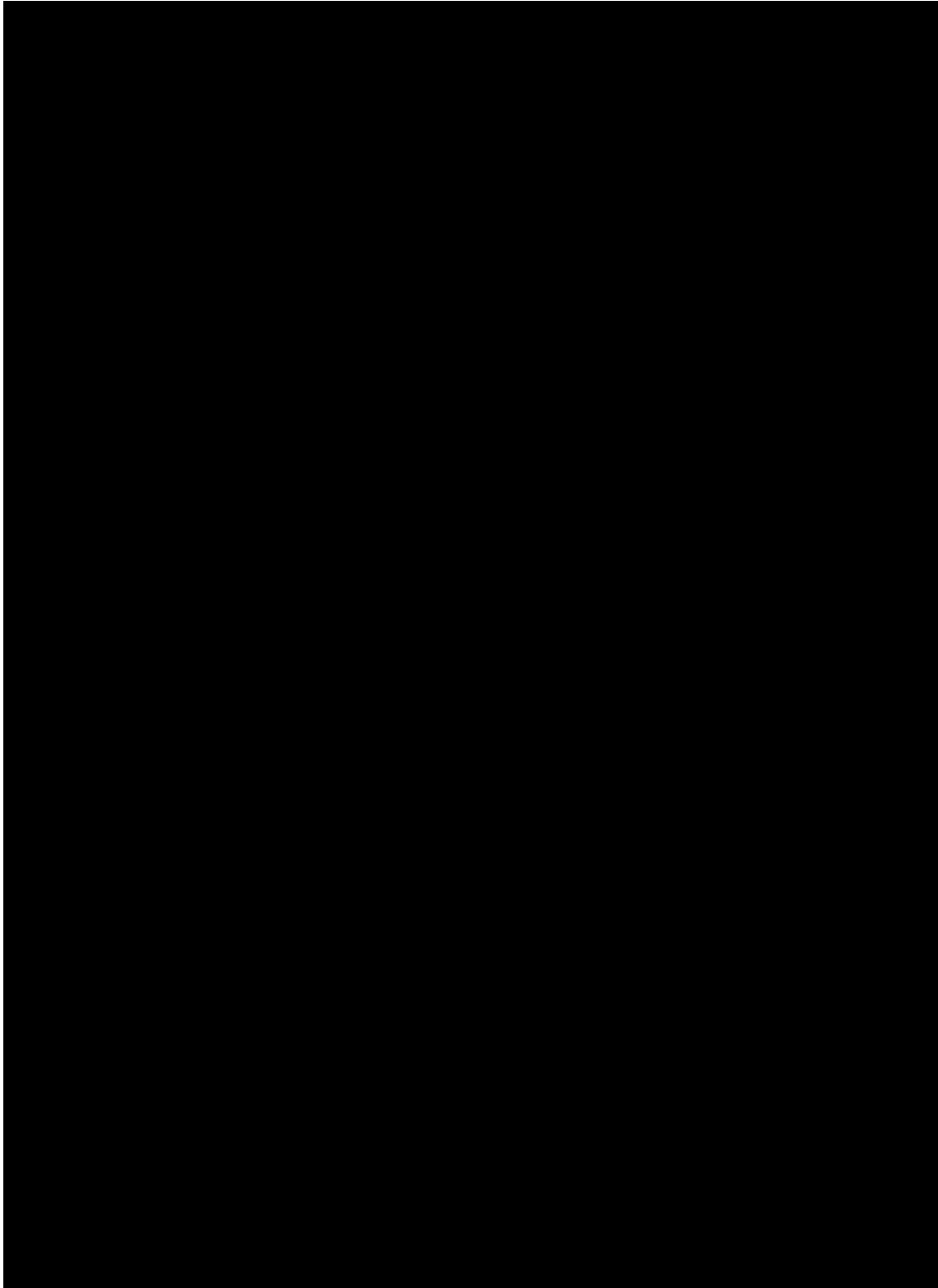
\_\_\_\_\_  
Swiss Post

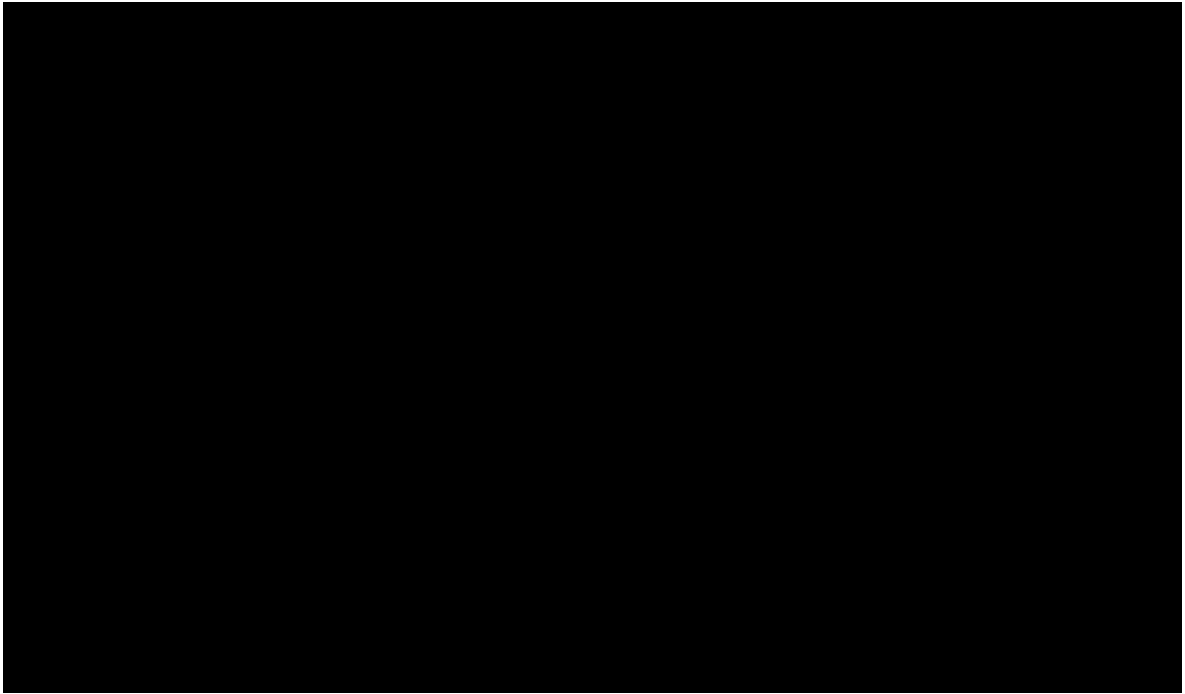
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Royal Mail Group plc

Annex A

**Annex 6: Enhanced Payment**

The Enhanced Payment shall be





**Exprès Service Agreement - Annex 4a**

**TRADEMARK ASSIGNMENT AGREEMENT**

made and entered into this 23 December of 1999 by and between

1. IPC Unipost SC ("IPC"), a company (société coopérative à responsabilité limitée) duly incorporated and organised under the laws of Belgium and having its registered office at Rue de la Fusée 100, B-1130 Brussels, Belgium, and
2. all the postal operators (the "Postal Operators") set out in Annex 1 to this Agreement.

IPC and the Postal Operators are hereinafter jointly referred to as the "Parties".

WHEREAS, IPC, acting on behalf of the Postal Operators, has registered the Trademark in the Territories set out in Annex 3 hereto and, in addition, has applied for registration of the Trademark in the Territories set out in Annex 4 hereto;

NOW THEREFORE, IPC and the Postal Operators, intending to be legally bound, hereby agree as follows:

**Article 1:     Definitions**

All terms beginning with a capital letter in this Agreement (including the Annexes) are either defined in Annex 2 to this Agreement or defined in the body of this Agreement.

**Article 2:     Assignment**

Under the terms and conditions of this Agreement, IPC agrees to assign its entire right, title and interest to the Trademark, together with any goodwill symbolized by the Trademark, along with any trademark application or registration for the Trademark , to each Postal Operator in his respective Territory as set out in Annex 1.

However, for Postal Operators which have been appointed a Territory within the European Union, IPC shall assign the above stated rights to them jointly.

**Article 3:     Warranties**

3.1            IPC warrants and represents that, as far as IPC is aware, there is no litigation, arbitration or any other dispute in progress or any third party claims relating to IPC's registered rights to the Trademark or, where the registration procedure has not been completed, relating to the registration procedures of the Trademark.

3.2            IPC warrants and represents that the Trademark is not subject to a licence or any other third party rights in any Territory.



**Article 4:     Remuneration**

The assignment of the Trademark is not subject to any monetary remuneration to be paid by a Postal Operator to IPC, although IPC hereby acknowledges that it is released from responsibility for the Trademark by this assignment and that it has received other good and valuable consideration.

**Article 5:     Obligations**

Each Postal Operator undertakes to carry out, independently and at his own expense, all required measures relating to the registration of the change of ownership of the Trademark in his Territory.

IPC undertakes to give any assistance necessary in order for each Postal Operator to register or in any other way secure his rights to the Trademark in his Territory.

**Article 6:     Annexes - Entire Agreement**

The Annexes referred to in this Agreement are an integral part of this Agreement. This Agreement, together with the Annexes thereto, constitutes the entire Agreement and understanding between the Parties.

**Article 7:     Headings**

Headings in this Agreement are inserted for convenience only and are not to be considered part of this Agreement.

**Article 8:     **Arbitration****

Any and all disputes, controversies and claims arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof shall be finally and bindingly decided by an Arbitration Committee.

Members of the Arbitration Committee shall be independent of the Parties to the dispute. Each Party or group of Parties shall, within one month of notifying the chairman of the Prime Steering Committee of the dispute in writing, appoint an arbitrator to the Arbitration Committee.

If any Party to the dispute fails to do so, the chairman of the Prime Steering Committee shall, within one month, appoint an arbitrator to represent such Party. However, if the chairman of the Prime Steering Committee represents a Party to the dispute, the Prime Steering Committee shall, within the same period of time and by consensus, appoint an arbitrator to the Arbitration Committee to represent such Party.

If there is an even number of arbitrators in the Arbitration Committee, the arbitrators thus appointed shall, within one month from their appointment, appoint a chairman to the Arbitration Committee, who shall be independent of the Parties to the dispute.

If they fail to do so, the chairman of the Prime Steering Committee shall, within one month, appoint a chairman to the Arbitration Committee. If the chairman of the Prime Steering Committee represents a Party to the dispute, the Prime Steering Committee shall, within one month and by consensus, appoint a chairman to the Arbitration Committee.

Unless the Parties agree otherwise, the arbitration proceedings shall be conducted in Stockholm, Sweden, in the English language and in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce.

**Article 9:     Amendment**

This Agreement may be amended by the Parties at any time, but only by an instrument in writing duly executed on behalf of each of the Parties.

**Article 10:    Miscellaneous**

10.1            At the written request of a Party any other Party shall execute such deeds and perform such acts as may reasonably be required to give effect to the provisions of this Agreement.

10.2            If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions shall not be affected thereby, and the Parties shall make all the necessary revisions of the Agreement in order to comply with its original intents.

10.3            The failure of a Party to require the performance of any term of this Agreement or the waiver by any Party of any breach of this Agreement shall not prevent a subsequent enforcement of such term nor be deemed a waiver of any subsequent breach.

**Article 11:    Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Netherlands.

In witness whereof, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

\_\_\_\_\_  
IPC

\_\_\_\_\_  
Österreichische Post AG

\_\_\_\_\_  
La Poste / De Post  
(Belgium)

\_\_\_\_\_  
Post Danmark

\_\_\_\_\_  
Finland Post Ltd

\_\_\_\_\_  
La Poste (France)

\_\_\_\_\_  
Deutsche Post AG

\_\_\_\_\_  
Iceland Post

\_\_\_\_\_  
An Post (Ireland)

\_\_\_\_\_  
Norway Post (Posten  
Norge BA)

\_\_\_\_\_  
CTT Correios de Portugal  
SA

\_\_\_\_\_  
SLOVENSKÁ POŠTA,  
š.p (Slovakia)

\_\_\_\_\_  
Correos y Telégrafos  
(Spain)

\_\_\_\_\_  
Sweden Post Ltd (Posten  
Sverige AB)

\_\_\_\_\_  
Swiss Post

\_\_\_\_\_  
United States Postal  
Service

## **ANNEX 1**

List of Parties and their respective Territories.

Österreichische Post AG, a public limited company duly incorporated and organised under the laws of Austria and having its registered office at Postgasse 8, 1010 Wien, Austria.

Territory: Austria

Post Danmark, a [legal personality] duly incorporated and organised under the laws of Denmark and having its registered office at Tietgensgade 37, 1530 Copenhagen V, Denmark.

Territory: Denmark, Faroe Islands and Greenland

Deutsche Post AG, a public limited company duly incorporated and organised under the laws of Germany and having its registered office at Heinrich-von-Stephan-Str. 1, 53175 Bonn, Germany .

Territory: Germany

Suomen Posti Oy, a limited company duly incorporated and organised under the laws of Finland and having its registered office at Mannerheiminaukio 1 A, FIN-00010 Helsinki, Finland

Territory: Finland

La Poste , a [legal personality] duly incorporated and organised under the laws of France and having its registered office at 4 quai du Point du Jour, 92 777 Boulogne Billancourt Cedex, France .

Territory: France

An Post, a limited liability company duly incorporated and organised under the laws of the Republic of Ireland and having its registered office at the General Post Office, O'Connell Street, Dublin 1, the Republic of Ireland .

Territory: the Republic of Ireland

Iceland Post, a limited liability company duly incorporated and organised under the laws of Iceland and having its registered office at Pósthússtræti 5, 101 Reykjavík, Iceland .

Territory: Iceland

Posten Norge BA, a limited company duly incorporated and organised under the laws of Norway and having its registered office at Dronningensgt. 15, N-0107 Oslo, Norway.

Territory: Norway

CTT – Correios de Portugal, SA , a joint stock company duly incorporated and organised under the laws of Portugal and having its registered office at Rua de São José, n 20, P-1166-001 Lisbon, Portugal.

Territory: Portugal

SLOVENSKÁ POŠTA, š.p., a [legal personality] duly incorporated and organised under the laws of Slovakia and having its registered office at PARTIZÁNSKA CESTA 9,, 975 99 BANSKÁ BYSTRICA, SLOVENSKÁ REPUBLIKA.

Territory: Slovakia

Entidad Publica Empresarial "Correos y Telégrafos" , a [legal personality] duly incorporated and organised under the laws of Spain and having its registered office at Calle Aduana 29-31, 28070 Madrid Spain

Territory: Spain

Sweden Post Ltd, International Division, a limited company duly incorporated and organised under the laws of Sweden and having its registered office at Sweden Post Ltd, International Division, SE-105 00 Stockholm, Sweden.

Territory: Sweden

Sweden Post Express Ltd, a limited company duly incorporated and organised under the laws of Sweden and having its registered office at Sweden Post Express Ltd, P.O. Box 29085, SE-100 52 Stockholm, Sweden.

Territory: Sweden

Swiss Post, an independent public company duly incorporated and organised under the laws of Switzerland and having its registered office at Swiss Post, Headquarters, Victoriast. 21, CH-3030 Bern, Switzerland.

Territory: Switzerland

UNITED STATES POSTAL SERVICE, an Independent Establishment of the Executive Branch of the Government of the United States, with its headquarters located at 475 L'Enfant Plaza, S.W., Washington, D.C.. 20260-1135

Territory: United States of America

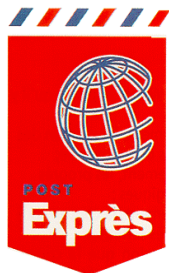
## ANNEX 2

"Agreement" shall mean this Trademark Assignment Agreement.

"Annex" shall mean the respective annexes attached to the Agreement.

"Territory" shall mean the respective territory of each Postal Operator set out in Annex 1.

"Trademark" shall mean the Post Exprès trademark as set out below.



In France, however, Trademark shall mean the Post Exprès logotype as set out below.





### ANNEX 3

List of Territories where IPC has registered the Trademark

Country	Date of registration	Registration number
Switzerland	18MAR1999	459657
Norway	09APR1999	196884

#### **ANNEX 4**

List of Territories where the registration process is in progress.

<b>Country</b>	<b>Date of registration</b>	<b>Application number</b>
Canada	03DEC1998	898/348
Iceland	10AUG1998	1657/1998
Hungary	10AUG1998	M 98 03232
Czech Republic	8JAN1999	0-138996
Cyprus	19AUG1998	51039
Slovak Republic	4SEP1998	POZ-2281-98
United States	26OCT1998	75/577131
European CTM	30JUL1998	900571



**Exprès Service Agreement - Annex 4b**

**TRADEMARK CO-OPERATION AGREEMENT**

This Trademark Co-operation Agreement ("Agreement") is made and entered into this 23 December of 1999 by and between all the entities ("the Parties") set out in Annex 1.

**Article 1:     Definitions**

All terms beginning with a capital letter in this Agreement (including the Annexes) are either defined in Annex 2 to this Agreement or defined in the body of this Agreement and referred to in Annex 2.

**Article 2:     Trademark**

Each Party represents and warrants to the other Parties that he will take all reasonable necessary steps to register the Trademark in his name in his Territory and that he will become the holder of any and all trademark rights with respect to the Trademark in his Territory as from the assignment by IPC of the Trademark or the application for registration of the Trademark pending in his Territory.

**Article 3:      Obligations**

3.1            Each Party undertakes not to use the Trademark outside of his Territory, except to the extent a Party's packages, including documents, letters and other mail, are mailed to other countries outside his Territory, or to the extent a Party uses the Trademark on the Internet.

3.2            Each Party undertakes to make real, sufficient and timely use of the Trademark according to the requirements of the applicable rules governing trade marks in his Territory in order for the right to the Trademark registration not to be at risk to lapse. In addition, each Party undertakes to pay any renewal fees required to uphold the Trademark registration in his Territory.

If any Parties are registered as co-owners of the Trademark, they shall be jointly responsible for the above stated obligations.

3.3            Each Party undertakes not to grant any third party, including a company within the same group as the Party, the right to use the Trademark in his Territory without the prior written consent of a majority of the other Parties. However, this shall not apply to third parties that perform services covered by this agreement on a sub-contracting basis on behalf of a Party.

3.4            Each Party undertakes not to assign, in whole or in part, rights relating to the Trademark to third parties, including companies within the same group as the Party, without the prior written consent of a majority of the other Parties or in the case set out in Article 4.2.

3.5            With respect to Articles 3.3 and 3.4, each Party undertakes to notify the granting or assigning Party of its decision within one month upon receipt of a written request by the granting or assigning Party. A Party who does not notify the granting or assigning Party of its decision within this period, shall be deemed to be in favour of the granting or assigning Party's request.

**Article 4:     Duration and effects of termination**

- 4.1            This Agreement shall be deemed to commence as of the date hereof and shall continue for an indefinite period. However, each Party shall have the right to, with respect to that Party only, terminate this Agreement upon six (6) months written notice in advance to all other Parties.
- 4.2            In the case of termination by a Party according to Article 4.1, such Party undertakes to assign, at any time after the written notice has been sent according to Article 4.1, any and all of his rights to the Trademark to a party unanimously appointed by the other Parties.

**Article 5:     Infringement**

- 5.1            The Parties to this Agreement shall notify each other in writing of any matter known to it which involves the infringement or threatened infringement of the Trademark in the respective Territories.
- 5.2            Upon such notification, or in the event a Party becomes aware of any such infringement or threatened infringement, the Party, in which Territory the infringement or threatened infringement takes place, shall be responsible for taking such legal or other action as is reasonable necessary in order to protect the Trademark rights. The cost and expenses of any such action shall be attributable to the Party, in which Territory the infringement or threatened infringement takes place, unless otherwise agreed in writing between the Parties.

**Article 6:     Annexes - Entire Agreement**

The Annexes referred to in this Agreement are an integral part of this Agreement. This Agreement, together with the Annexes thereto and the Trademark Assignment Agreement, dated 23 December 1999, which is attached hereto, constitutes the entire Agreement and understanding between the Parties.

**Article 7:     Headings**

Headings in this Agreement are inserted for convenience only and are not to be considered part of this Agreement.

**Article 8:     Arbitration**

Any and all disputes, controversies and claims arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof shall be finally and bindingly decided by an Arbitration Committee.

Members of the Arbitration Committee shall be independent of the Parties to the dispute. Each Party or group of Parties shall, within one month of notifying the chairman of the Prime Steering Committee of the dispute in writing, appoint an arbitrator to the Arbitration Committee.

If any Party to the dispute fails to do so, the chairman of the Prime Steering Committee shall, within one month, appoint an arbitrator to represent such Party. However, if the chairman of the Prime Steering Committee represents a Party to the dispute, the Prime Steering Committee shall, within the same period of time and by consensus, appoint an arbitrator to the Arbitration Committee to represent such Party.

If there is an even number of arbitrators in the Arbitration Committee, the arbitrators thus appointed shall, within one month from their appointment,

appoint a chairman to the Arbitration Committee, who shall be independent of the Parties to the dispute.

If they fail to do so, the chairman of the Prime Steering Committee shall, within one month, appoint a chairman to the Arbitration Committee. If the chairman of the Prime Steering Committee represents a Party to the dispute, the Prime Steering Committee shall, within one month and by consensus, appoint a chairman to the Arbitration Committee.

Unless the Parties agree otherwise, the arbitration proceedings shall be conducted in Stockholm, Sweden, in the English language and in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce.

**Article 9:**     **Amendment**

This Agreement may be amended by the Parties at any time, but only by an instrument in writing duly executed on behalf of each of the Parties.

**Article 10:**   **Miscellaneous**

- 10.1     At the written request of a Party any other Party shall execute such deeds and perform such acts as may reasonably be required to give effect to the provisions of this Agreement.
- 10.2     If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions shall not be affected thereby, and the Parties shall make all the necessary revisions of the Agreement in order to comply with its original intent.
- 10.3     The failure of a Party to require the performance of any term of this Agreement or the waiver by any Party of any breach of this Agreement shall



not prevent a subsequent enforcement of such term nor be deemed a waiver of any subsequent breach.

**Article 11:    Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Netherlands.

**In witness whereof, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.**

\_\_\_\_\_  
Österreichische Post AG

\_\_\_\_\_  
La Poste / De Post  
(Belgium)

\_\_\_\_\_  
Post Danmark

\_\_\_\_\_  
Finland Post Ltd

\_\_\_\_\_  
La Poste (France)

\_\_\_\_\_  
Deutsche Post AG

\_\_\_\_\_  
Iceland Post

\_\_\_\_\_  
An Post (Ireland)

\_\_\_\_\_  
Norway Post (Posten  
Norge BA)

\_\_\_\_\_  
CTT Correios de Portugal  
SA

\_\_\_\_\_  
SLOVENSKÁ POŠTA,  
š.p (Slovakia)

\_\_\_\_\_  
Correos y Telégrafos  
(Spain)

\_\_\_\_\_  
Sweden Post Ltd (Posten  
Sverige AB)

\_\_\_\_\_  
Swiss Post

\_\_\_\_\_  
United States Postal  
Service

## **ANNEX 1**

List of Parties and their respective Territories.

Österreichische Post AG, a public limited company duly incorporated and organised under the laws of Austria and having its registered office at Postgasse 8, 1010 Wien, Austria.

Territory: Austria

Post Danmark, a [legal personality] duly incorporated and organised under the laws of Denmark and having its registered office at Tietgensgade 37, 1530 Copenhagen V, Denmark.

Territory: Denmark, Faroe Islands and Greenland

Deutsche Post AG, a public limited company duly incorporated and organised under the laws of Germany and having its registered office at Heinrich-von-Stephan-Str. 1, 53175 Bonn, Germany .

Territory: Germany

Suomen Posti Oy, a limited company duly incorporated and organised under the laws of Finland and having its registered office at Mannerheiminaukio 1 A, FIN-00010 Helsinki, Finland

Territory: Finland

La Poste , a [legal personality] duly incorporated and organised under the laws of France and having its registered office at 4 quai du Point du Jour, 92 777 Boulogne Billancourt Cedex, France .

Territory: France

An Post, a limited liability company duly incorporated and organised under the laws of the Republic of Ireland and having its registered office at the General Post Office, O'Connell Street, Dublin 1, the Republic of Ireland .

Territory: the Republic of Ireland

Iceland Post, a limited liability company duly incorporated and organised under the laws of Iceland and having its registered office at Pósthússtræti 5, 101 Reykjavík, Iceland .

Territory: Iceland

Posten Norge BA, a limited company duly incorporated and organised under the laws of Norway and having its registered office at Dronningensgt. 15, N-0107 Oslo, Norway.

Territory: Norway

CTT – Correios de Portugal, SA , a joint stock company duly incorporated and organised under the laws of Portugal and having its registered office at Rua de São José, n 20, P-1166-001 Lisbon, Portugal.

Territory: Portugal

Sweden Post Ltd, International Division, a limited company duly incorporated and organised under the laws of Sweden and having its registered office at Sweden Post Ltd, International Division, SE-105 00 Stockholm, Sweden.

Territory: Sweden

Sweden Post Express Ltd, a limited company duly incorporated and organised under the laws of Sweden and having its registered office at Sweden Post Express Ltd, P.O. Box 29085, SE-100 52 Stockholm, Sweden.

Territory: Sweden

SLOVENSKÁ POŠTA, š.p., a [legal personality] duly incorporated and organised under the laws of Slovakia and having its registered office at PARTIZÁNSKA CESTA 9,, 975 99 BANSKÁ BYSTRICA, SLOVENSKÁ REPUBLIKA.

Territory: Slovakia

Entidad Publica Empresarial "Correos y Telégrafos" , a [legal personality] duly incorporated and organised under the laws of Spain and having its registered office at Calle Aduana 29-31, 28070 Madrid Spain

Territory: Spain

Swiss Post, an independent public company duly incorporated and organised under the laws of Switzerland and having its registered office at Swiss Post, Headquarters, Victoriast. 21, CH-3030 Bern, Switzerland.

Territory: Switzerland

UNITED STATES POSTAL SERVICE, an Independent Establishment of the Executive Branch of the Government of the United States, with its headquarters located at 475 L'Enfant Plaza, S.W., Washington, D.C.. 20260-1135

Territory: United States of America

## **ANNEX 2**

List of definitions used in the Agreement and its Annexes.

”Agreement” shall mean this Trademark Co-operation Agreement.

”Annex” shall mean the respective annexes attached to the Agreement.

”Party” shall mean an entity set out in Annex 1.

”Territory” shall mean the respective territory of each Party set out in Annex 1.

”Trademark” shall mean the Post Exprès trademark as set out below.



In France, however, Trademark shall mean the Post Exprès logotype as set out below.



### **ANNEX 3**

List of Territories where IPC has registered the Trademark

<b>Country</b>	<b>Date of registration</b>	<b>Registration number</b>
Switzerland	18MAR1999	459657
Norway	09APR1999	196884

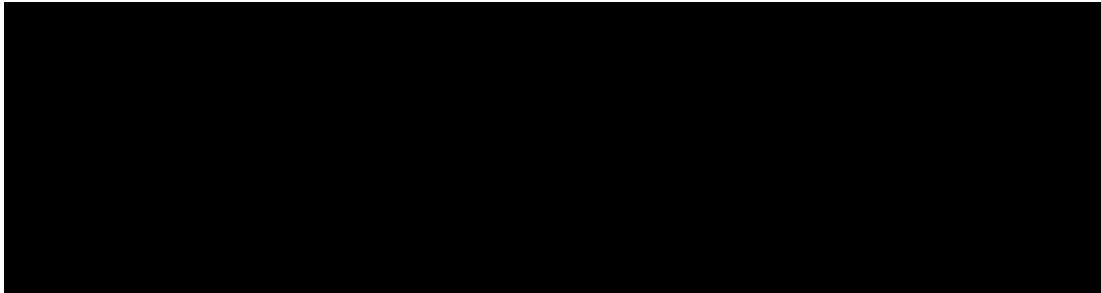
#### **ANNEX 4**

List of Territories where the registration process is in progress.

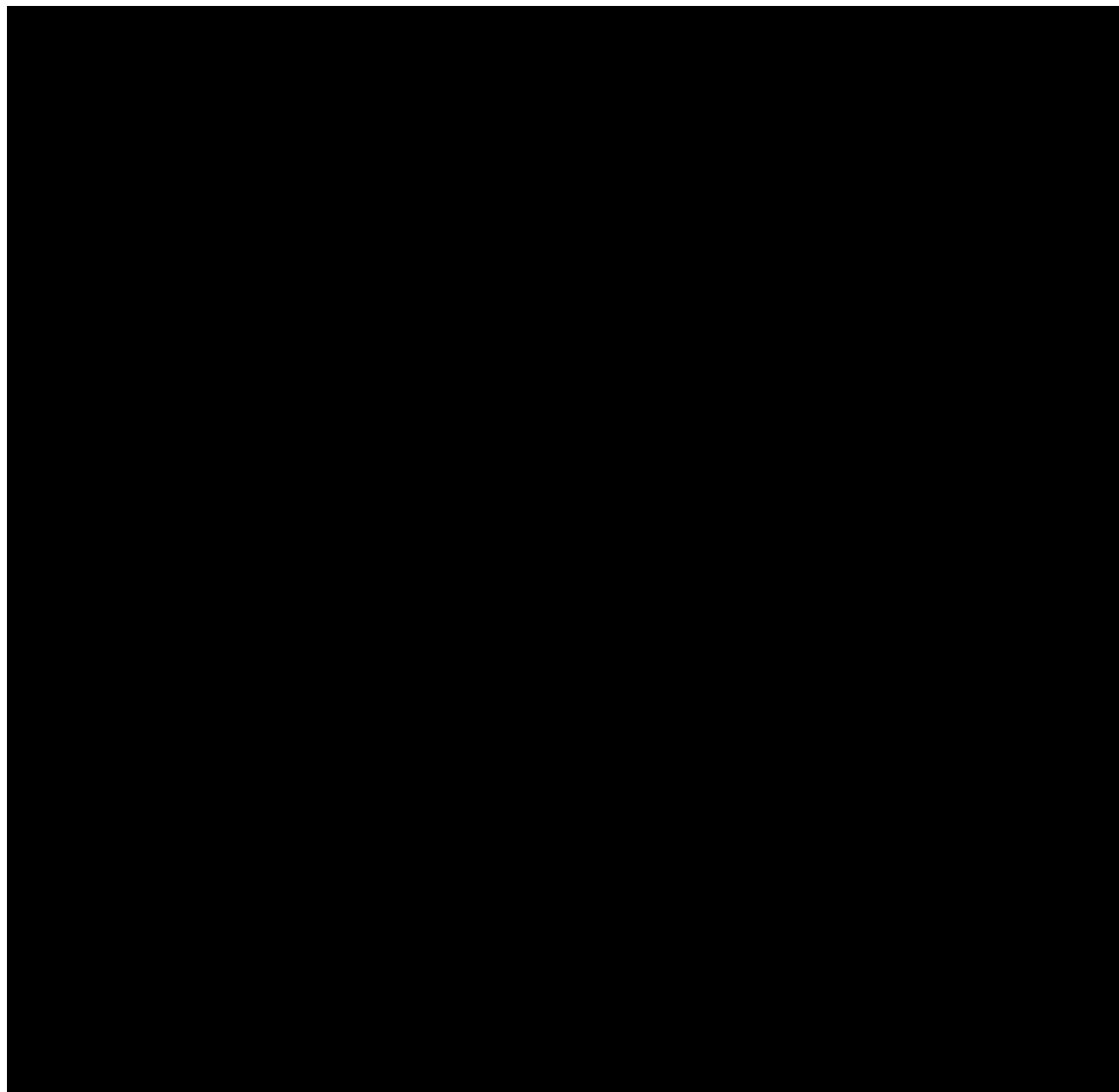
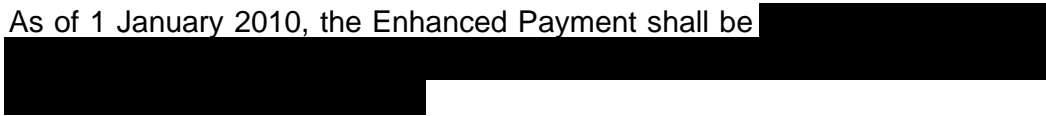
<b>Country</b>	<b>Date of registration</b>	<b>Application number</b>
Canada	03DEC1998	898/348
Iceland	10AUG1998	1657/1998
Hungary	10AUG1998	M 98 03232
Czech Republic	8JAN1999	0-138996
Cyprus	19AUG1998	51039
Slovak Republic	4SEP1998	POZ-2281-98
United States	26OCT1998	75/577131
European CTM	30JUL1998	900571

**Annex 6: Enhanced Payment – Surcharge**

**As amended by the Steering Committee 26 & 27 October 2009**



As of 1 January 2010, the Enhanced Payment shall be

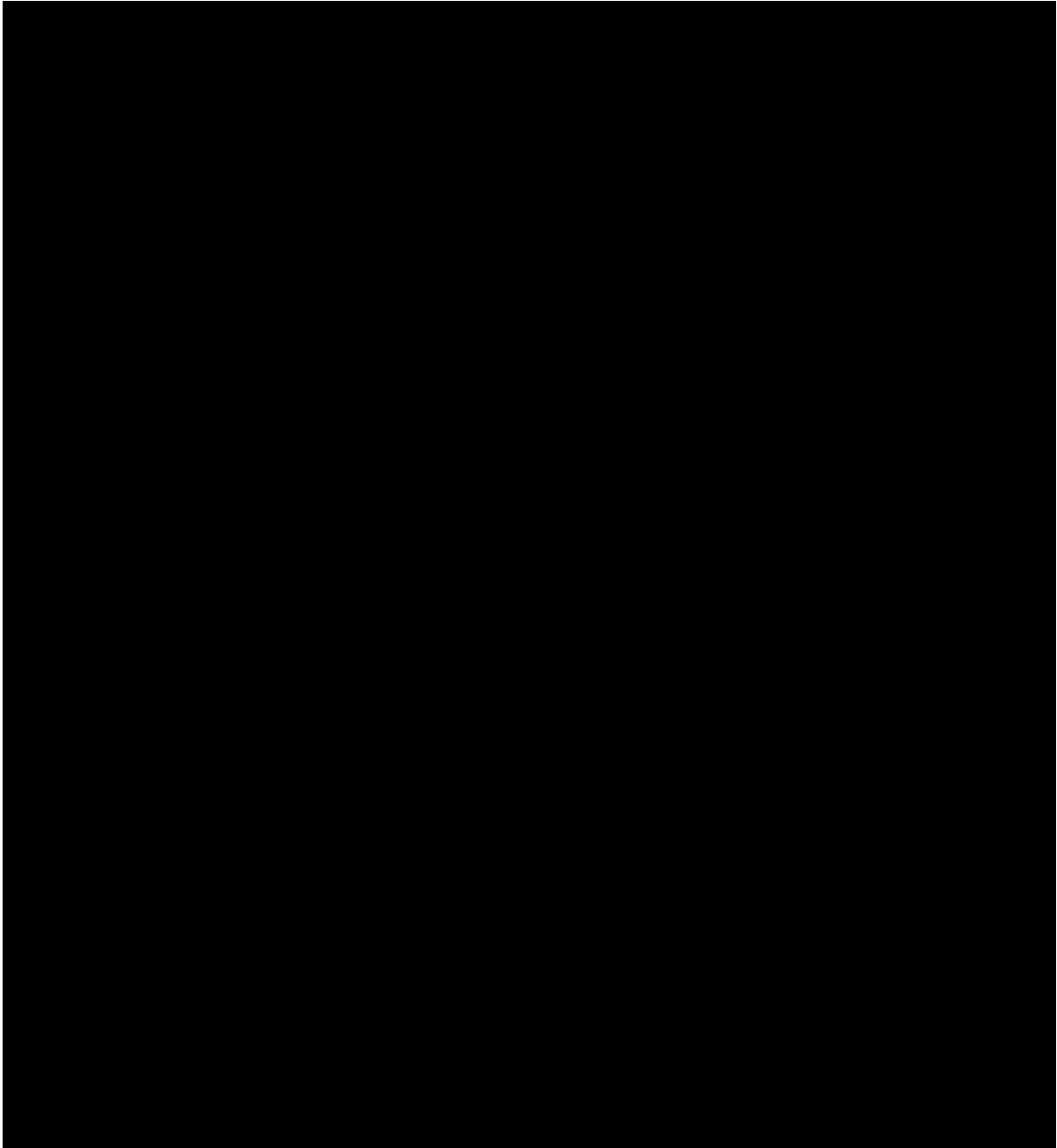




Amended Annex 6 to the Exprès Service Agreement – [REDACTED]

## **Annex 6: Enhanced Payment**

**As amended by the Steering Committee** [REDACTED]



**Annex 5: Deed of Accession**

The United States Postal Service

.....  
*THE „ACCEDING PARTY“,*

a postal operator within the meaning of the UPU Convention,

requests admission to the Exprès Service Agreement, effective from the first day of the second month following the approval of the accession by the Exprès Service Steering Committee.

The Acceding Party undertakes to respect all the provisions of the Exprès Service Agreement.



Signed at USPS HQ On August 10, 2011

A handwritten signature in cursive script, appearing to read "Giselle Valera", written over a dotted line.

Giselle Valera  
Managing Director  
Global Business & Vice President  
United States Postal Service

**Notice Provided to the International Post Corporation and Parties to the  
Exprès Service Agreement concerning the United States Postal Service's  
Participation in the Exprès Service Agreement**

1. The undersigned postal operator (the "USPS") and International Post Corporation ("IPC"), acting on behalf of the parties to the Exprès Service Agreement, made and entered into December 10, 1999, as amended (together the "Agreement"<sup>1</sup>), hereby acknowledge this instrument, which provides notice concerning future USPS participation in the Agreement.
2. For these purposes, the USPS may decide at a future date to become a party to the Agreement. Such a decision, if any, will be memorialized by the execution by the USPS of a signed written document reflecting the agreement.
3. In the event that the USPS becomes a party to the Agreement at some future date, the IPC shall assist the USPS in setting up its data exchange facilities and advise it on preparatory steps with a view to facilitating the USPS's accession to the Agreement.
4. If the USPS becomes a party to the Agreement and the IPC provides the assistance described in the preceding paragraph, then the USPS

[REDACTED]

[REDACTED]

<sup>1</sup> The full text of the "Agreement" includes the Exprès Service Agreement and its six Annexes, as amended by (i) the First Supplementary Agreement to the Exprès Service Agreement of December 23, 1999, (ii) the Annex 2 that each Party most recently submitted to and that was approved by the Steering Committee, (iii) the Annex 3 that was most recently approved by the Steering Committee, and (iv) Annex 6 as amended by the Steering Committee 26 & 27 October 2009 and as planned to be amended

[REDACTED]

5. USPS, IPC, and the parties to the Agreement acknowledge that the IPC shall not send an invoice to the USPS until September 2011, payable by USPS no later than December 31, 2011. If the Conditions Precedent described in Paragraph 6b of this notice are not fulfilled, the USPS shall have no financial obligation under the Agreement and IPC shall refund to USPS any fees that USPS has already paid IPC under the Agreement. In this case, the USPS will have no additional obligations under the Agreement, financial or otherwise. If the USPS becomes a party to the Agreement, and the USPS deposits a notice of withdrawal with the chairman of the Steering Committee in accordance with Article 11 of the Agreement, the IPC shall pro-rate and refund to the USPS the portion of any annual fee paid by the USPS that concerns any period of time after the USPS's notice of withdrawal takes effect.
6. USPS, IPC, and the parties to the Agreement acknowledge that USPS's participation in the Prime Project is subject to the following conditions, as well as any additional conditions that the USPS may propose upon further review of the Agreement:
  - a. All taxes and duties are the sole responsibility of the Prime party to whom they are duly assessed and shall not be charged to the USPS in any form unless the USPS otherwise provides in a written agreement with the respective Prime party.
  - b. USPS's acceding to the Agreement and all obligations of the USPS under the Agreement shall be contingent on the USPS receiving approvals from, and/or non-objection by (hereinafter "Conditions Precedent") one or more internal and external bodies that have oversight responsibilities over the USPS. Conditions Precedent may include but are not limited to: approvals or, if applicable, non-objection, from the USPS's management, the Governors of the USPS, the Board of Governors of the USPS, and the U.S. Postal Regulatory Commission. The USPS, IPC, and the parties to the Agreements acknowledge that the Agreement might not be approved by such bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to provide the products or services contemplated under the Agreement, no obligation shall exist for the USPS, IPC, and the parties to the Agreement, and no benefit or rights granted shall inure to the USPS, IPC, and the parties to the Agreement until such time as the Conditions Precedent shall have been fulfilled.
  - c. In the event that the Conditions Precedent are not fulfilled, the USPS, IPC, and the parties to the Agreement shall have no liability, which shall include no obligation to pay fees or costs associated with any action taken by the USPS, IPC, and the parties to the Agreements. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, the USPS, IPC, and the parties to the Agreement shall not be held liable for any damages or costs of any nature whatsoever.
  - d. The USPS, IPC, and the parties to the Agreement acknowledge that any rate information included in the Agreement and information concerning the quality of service performance under the Agreement constitute commercially sensitive information and should not be disclosed to third parties except as required by law. USPS, IPC and the other parties to the Agreement will treat as confidential and not disclose to third parties, absent express written consent of the other parties, any

such information related to this Agreement as long as it is treated as non-public by the Postal Regulatory Commission. USPS, IPC and the other parties to the Agreement acknowledge that United States law may require that the Agreement be filed with the Postal Regulatory Commission and the U.S. Department of State. USPS, IPC and the other parties to the Agreement authorize the USPS to determine the scope of information that must be made publicly available under the Postal Regulatory Commission's rules. USPS, IPC and the other parties to the Agreement further understand that any unredacted portion of this document or the text of the Agreement may be posted on the Commission's public website, [www.prc.gov](http://www.prc.gov). IPC and the other parties to the Agreement have the right, in accordance with the Postal Regulatory Commission's rules, to address confidentiality concerns directly with the Postal Regulatory Commission. The procedure for making an application to the Postal Regulatory Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22, on the Postal Regulatory Commission's website: [www.prc.gov/Docs/63/63467/Order225.pdf](http://www.prc.gov/Docs/63/63467/Order225.pdf). At the request of IPC or the parties to the Agreement, the USPS will furnish notice of the docket number of the Postal Regulatory Commission proceeding, if any, used in connection with the Agreement(s). The USPS, IPC and the parties to the Agreement shall each provide the same care to avoid disclosure or unauthorized use of the confidential information as each would provide to maintain the confidentiality of its own information.

- e. USPS, IPC, and the parties to the Agreements acknowledge that in 2006, IPC registered the trademark and logo for POST EXPRES under U.S. Trademark Registration No. 3,072,352. To the extent that this registration is still in effect, USPS, IPC, and the parties to the Agreements agree to cooperate in assigning the entire rights, title, and interest to the trademark POST EXPRES, together with any goodwill symbolized by the trademark, by transferring to the USPS at the expense of the USPS all rights within the United States of America to the trademark after USPS has become a party to the Agreement. IPC agrees to execute all documents necessary to effectuate such assignment upon USPS's execution of applicable agreements.



- 7. If and when the USPS becomes a party to any of the Agreements, IPC and the parties to the Agreements shall be deemed to have acknowledged the contents of this document.

8. Each party represents that it has caused this document to be executed on its behalf as of the date written below by a representative empowered to bind that party with respect to the undertakings and obligations contained herein. The effective date of this instrument is the later of the two execution dates shown below.

In WITNESS WHEREOF, the Postal Service and the International Post Corporation have executed this instrument effective as of the date in paragraph 8 above.

UNITED STATES POSTAL SERVICE

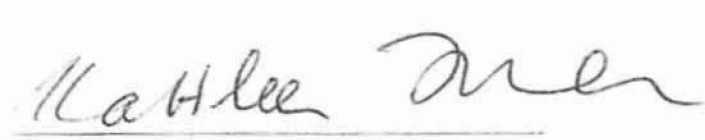
INTERNATIONAL POST CORPORATION

  
Signature

Giselle Valera  
Name

Managing Director, Global Business  
and Vice President  
Title

10 August 2011  
Date

  
Signature

KATHLEEN TREANOR  
Name

Prime Project Manager  
Title

10 August 2011  
Date

## **Exprès Service Agreement — Annex 3**

### **Technical specifications**

#### **1 Track and Trace IT specifications**

In order to enable a new country to exchange PRIME messages with other countries, the form below must be filled out.

On this form there are multiple groups which will be described in the following section.

##### ***1.1 Country specifications***

This group contains the country code, the name of the country and the timezone in which the country resides.

Example:

Code: AT

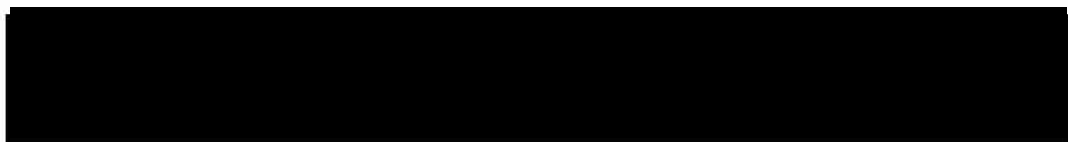
Description: Austria

Timezone: EUR (CET)

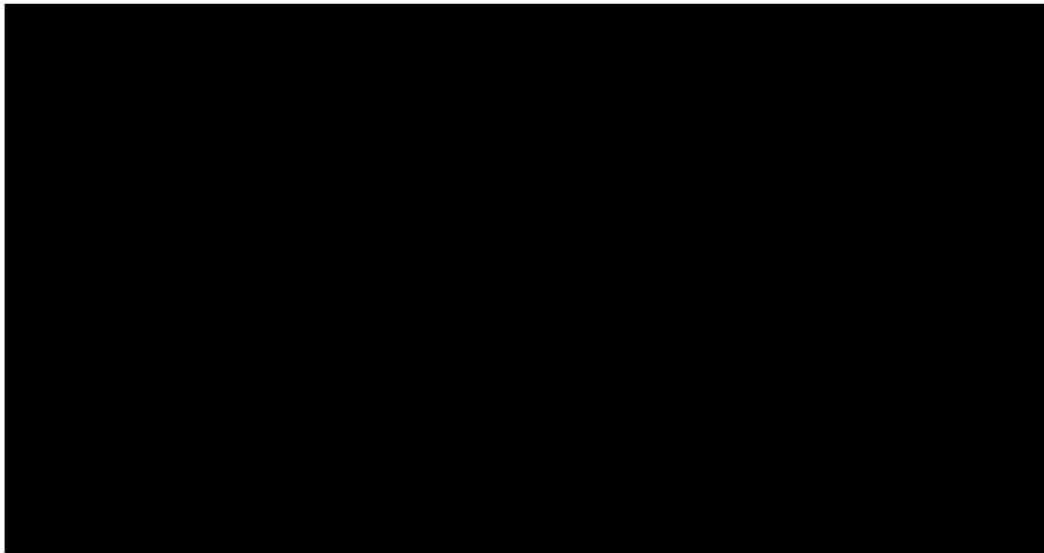
##### ***1.2 Project specifications***



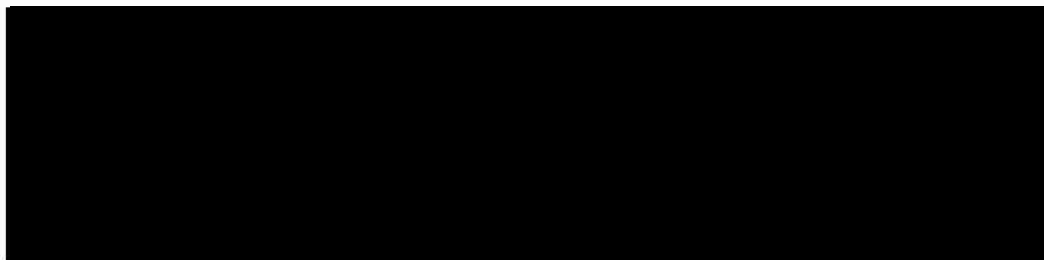
##### ***1.3 Assigned persons***



#### **1.4 Barcode format(s)**



#### **1.5 Office of Exchange (OE) Specifications**



#### **1.6 Monthly volume estimated**

An estimated monthly volume should be given as soon as possible after the service commences in each country.

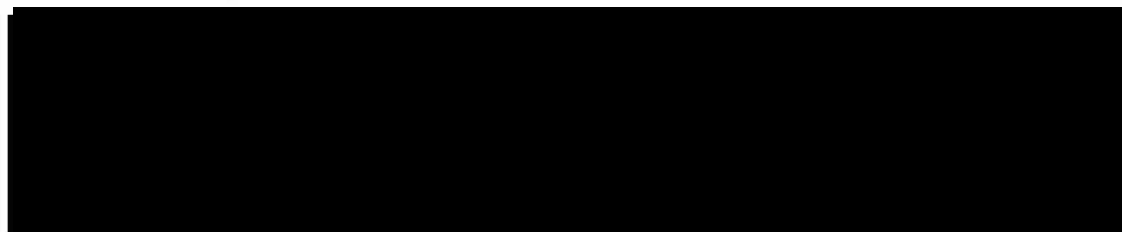
#### **1.7 List of the holidays (both official and specific to the PRIME project)**

The list of the holidays should contain following fields:

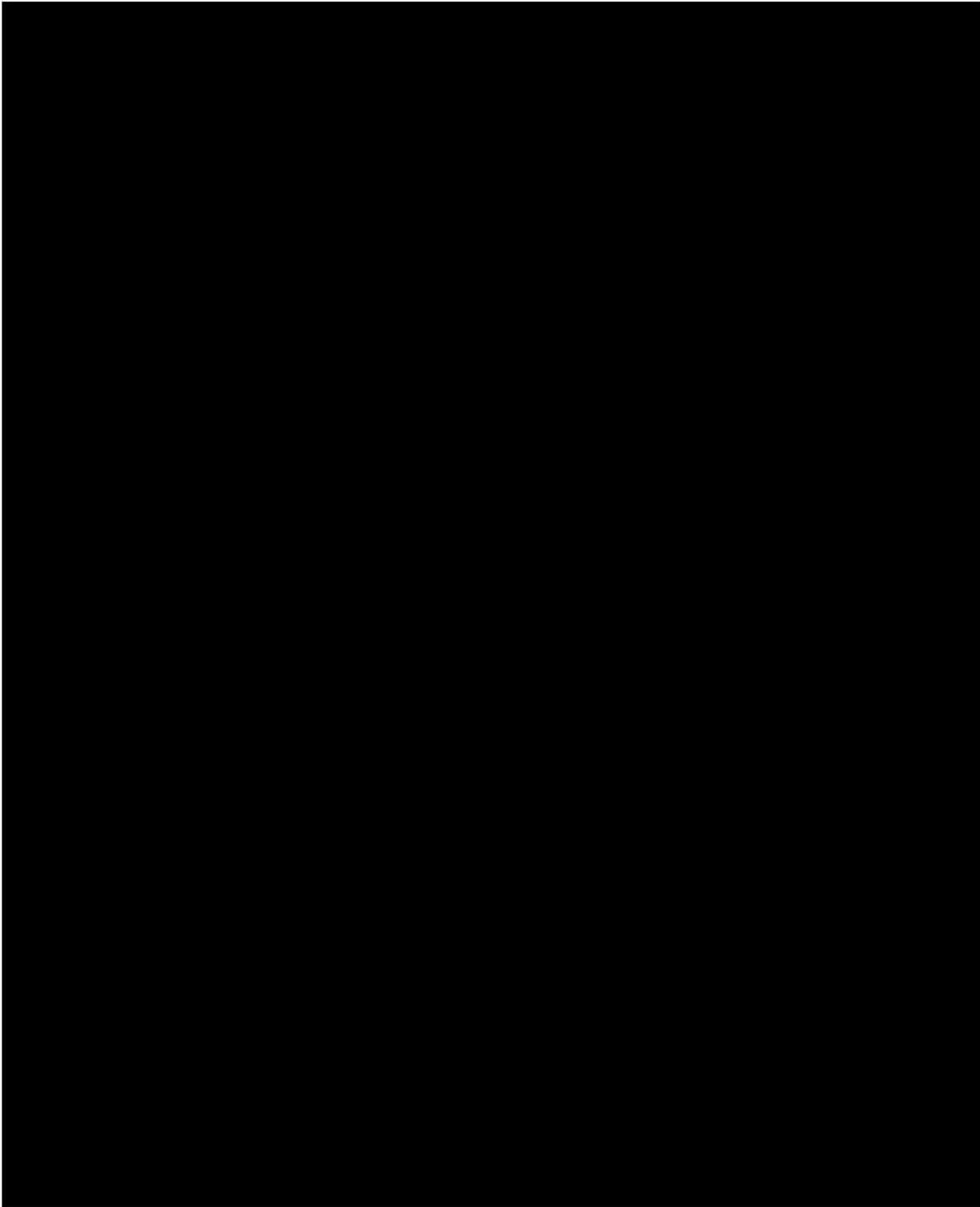
- Date : date of the holiday
- Description : descriptive field for the holiday
- Fixed date : enter either Y(es) or N(o) to indicate if this holiday happens on the same day every year

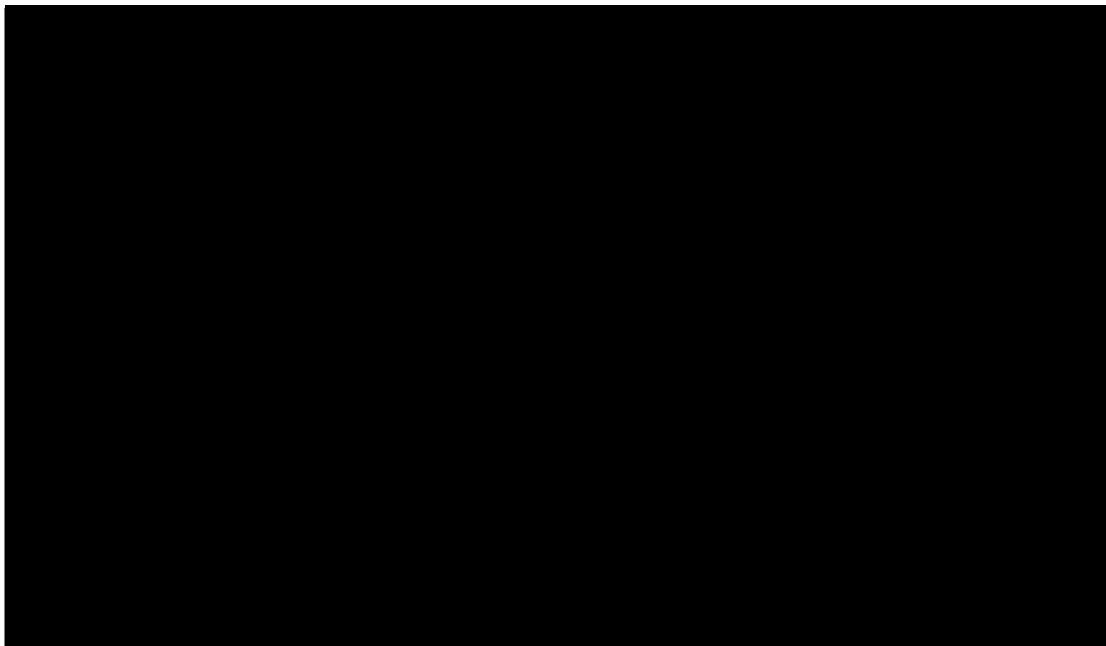
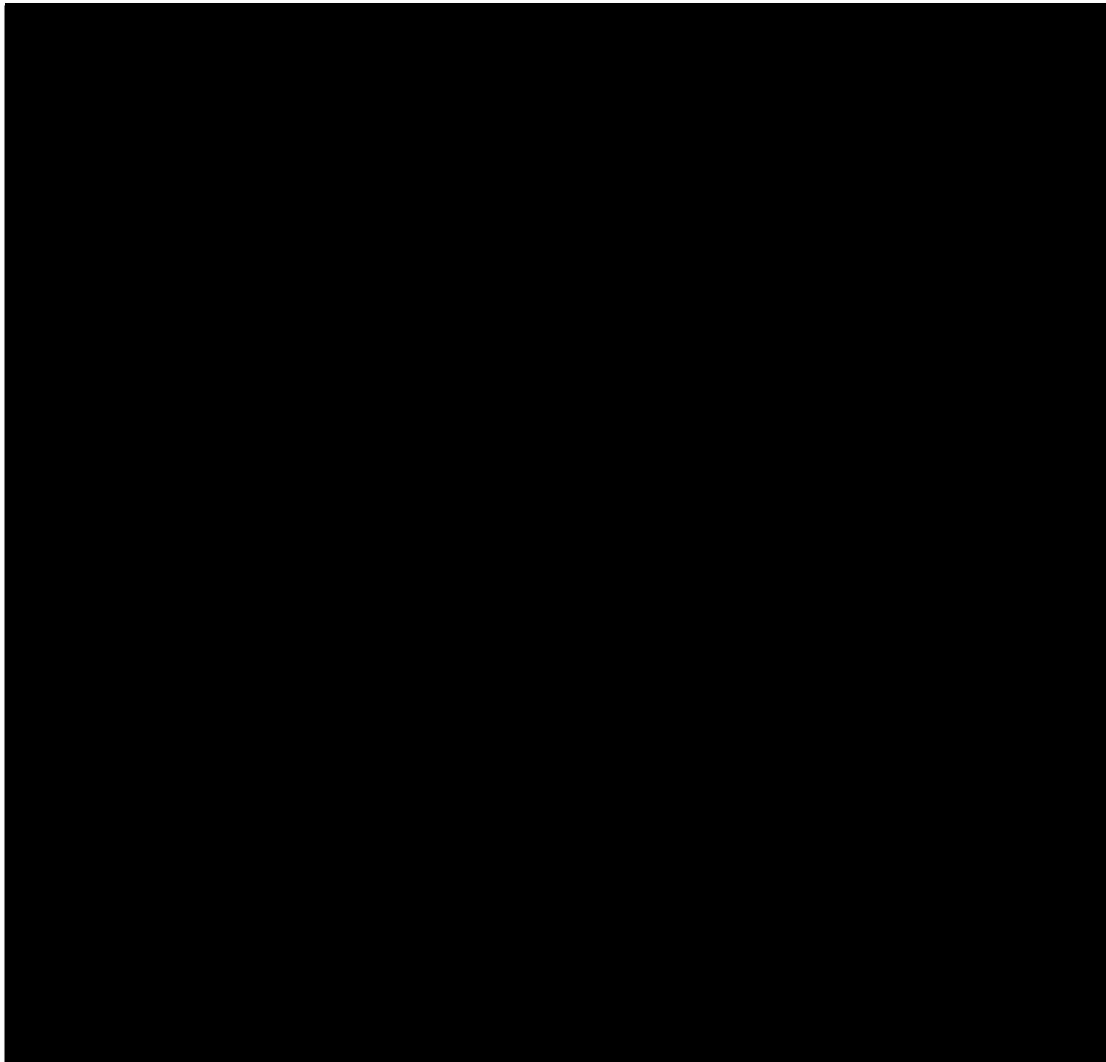


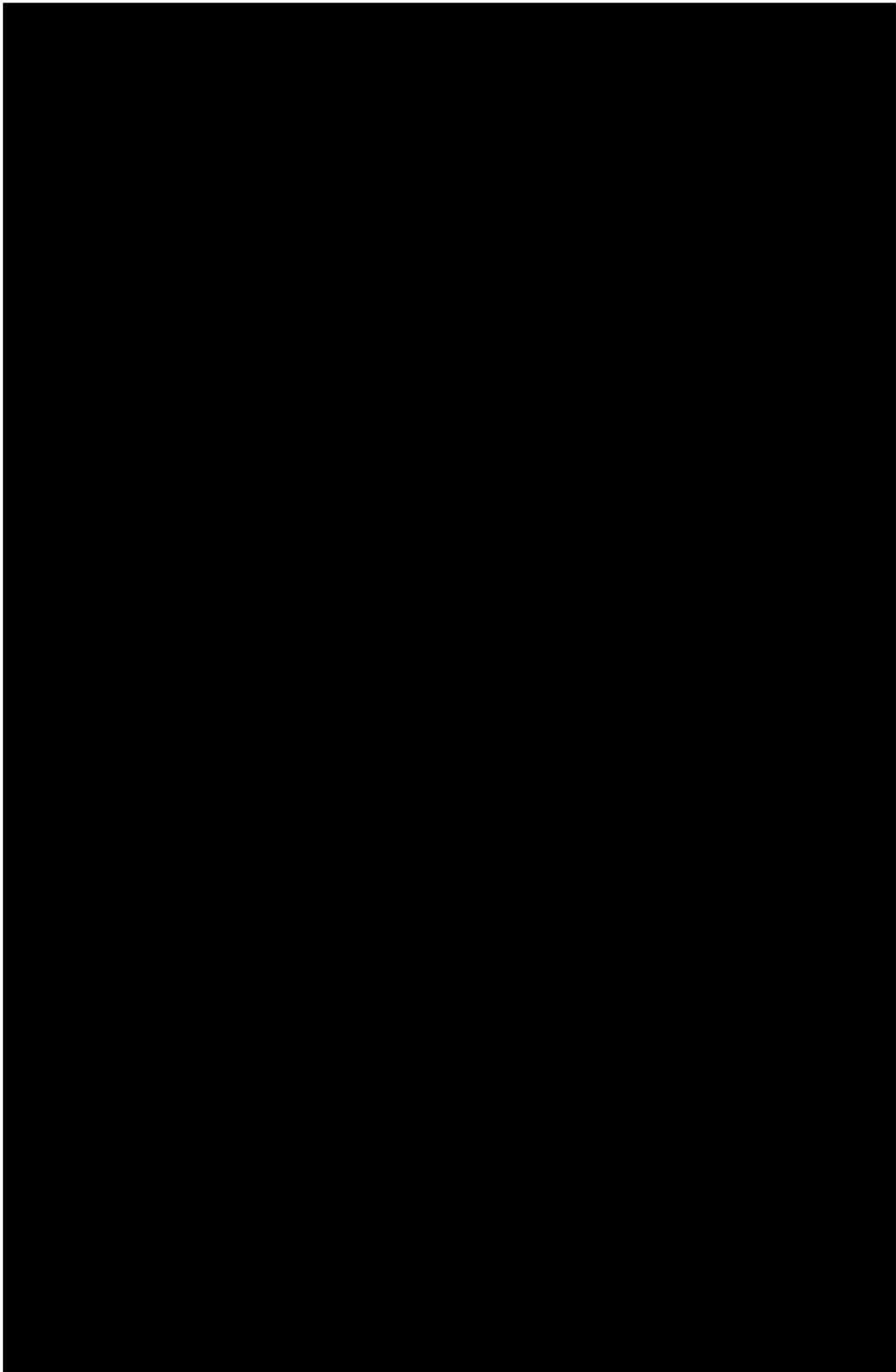
Delivery standards - an overview of service standards for all the origin countries)  
See Annex 2 Exprès agreement

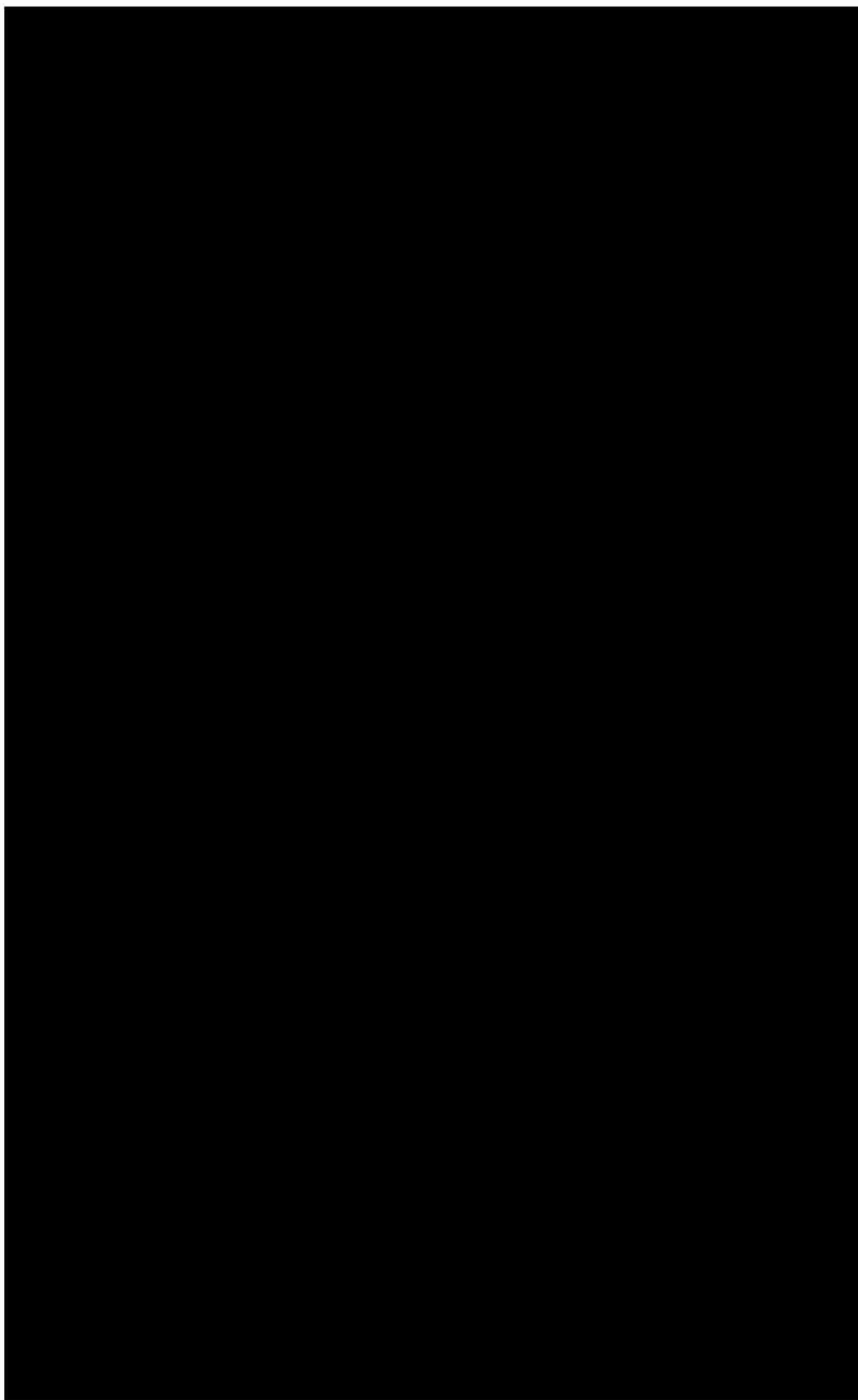






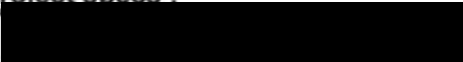
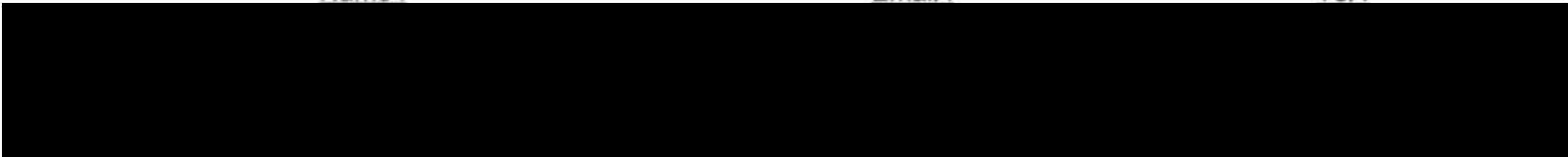
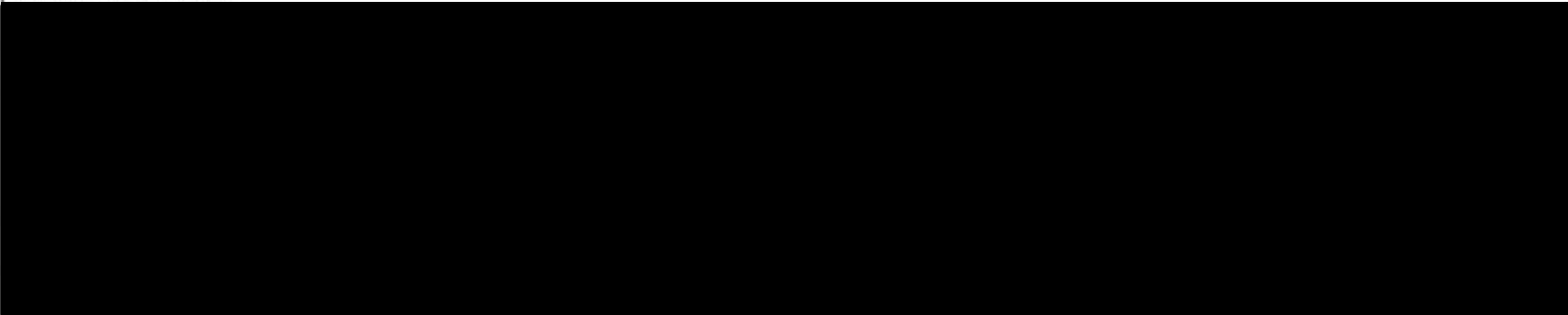




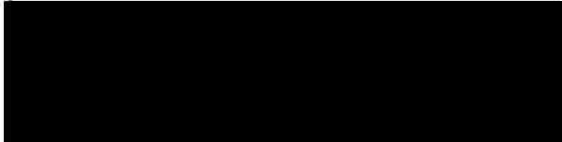







PRIME REQUEST FORM		
<b>Country specs :</b>		
Code :	Description :	Timezone :
US	United States of America	EST
<b>Project specs :</b>		
		
<b>Assigned persons :</b>		
Name :	Email :	Tel :
		
<b>PRIME REPORTS</b>		
		
<b>Barcode format(s) :</b>		

Exprès Service Agreement – Annex 3

	
<b>OE specs :</b>	
Code :	Description :
USJFKA	New York
USMIAA	Miami
USLAXA	Los Angeles
USSFOA	San Francisco
USORDA	Chicago
<b>Monthly volume estimated :</b> 	



### List of Holidays

Date	Description	Fixed (Yes/No)	
Friday, December 31, 2010*	New Year's Day	No	
Monday, January 17	Birthday of Martin Luther King, Jr.	No	
Monday, February 21	Washington's Birthday	No	
Monday, May 30	Memorial Day	No	
Monday, July 4	Independence Day	No	
Monday, September 5	Labor Day	No	
Monday, October 10	Columbus Day	No	
Friday, November 11	Veterans Day	No	
Thursday, November 24	Thanksgiving Day	No	
Monday, December 26	Christmas Day	No	

Expres Service Agreement – Annex 3

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